Solvency and Financial Condition Report 2024

Athora Belgium S.A

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Introduction

Athora Belgium, falling under the scope of Solvency II Directive reporting, is required to disclose its Solvency and Financial Condition Report (SFCR).

This is in accordance with the Directive 2009/138/EC ('Solvency II Directive) as well as with the Delegated Regulation 2015/35/EC ('Delegated Act') and related Guidelines.

The objective of the Solvency and Financial Condition Report is to increase transparency in the insurance market requiring insurance and reinsurance undertakings to disclose publicly, at least on an annual basis, a report on their solvency and financial condition.

The document has been approved by the Board of Directors of Athora Belgium.

Policyholders and beneficiaries are the main addressees of the Solvency and Financial Condition Report benefitting from an increased market discipline, that encourages best practices, as well as from a higher market confidence, that leads to an improved understanding of business.

The Solvency and Financial Condition Report provides information on the essential aspects of its businesses, such as a description of the activity and performance of the undertaking, the system of governance, risk profile, evaluation of assets and liabilities and capital management for solvency purposes.

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Glossary

Best estimate liabilities: The best estimate liabilities represent the expected present value of future cash-flows related to insurance and reinsurance obligations in force at the valuation date. The best estimate liabilities are calculated on a gross of reinsurance basis, i.e. without any deduction of the amounts recoverable from reinsurance contracts and special purpose vehicles.

Best estimate operating assumptions: The assumptions on all those non-financial factors which can have an impact on future cash-flows, including not only the most common operating factors (i.e. mortality/longevity, disability/morbidity, lapses, expenses), but also the contractual policyholders' options that can be exercised by policyholders (e.g. annuity take-up rates, voluntary premium increases, maturity extensions…).

Contract boundaries: This is the limit beyond which relevant cash flows are excluded from the calculation of technical provisions. It is defined in line with Article 18 of the Delegated Acts and refers to future dates where the insurance undertaking has a unilateral right either to terminate the contract, or to reject payable premiums or to amend the payable premiums or the benefits in such a way that the premiums fully reflect the risks.

Counterparty default risk adjustment: The counterparty default adjustment is the amount of reinsurance recoverable that the Company expects not to be able to recover as a consequence of the possible default of the reinsurance counterparty at any point in time in the future.

Eligible Own funds: are defined as the sum of basic own funds and ancillary own funds.

Expected Profit Included in Future Premiums (EPIFP): it is the expected present value of future cash flows, if positive, which results from the inclusion in technical provisions of premiums relating to existing insurance and reinsurance contracts that are expected to be received in the future, but that may not be received for any reason, other than because the insured event has occurred, due to the legal or contractual rights of the policyholder to discontinue the policy.

Long term guarantee adjustments and transitional measures: This expression refers to the matching adjustment, the volatility adjustment, the transitional measure on the risk-free interest rates and the transitional measure on technical provisions.

Matching adjustment: it refers to an adjustment applicable on top of the risk-free rate curve. The application of such an adjustment is subject to prior supervisory approval and to strict requirements on the related portfolio of assets and liabilities. In particular, this adjustment can be applied for the valuation of matched business, i.e. in case of business where asset cash flows match (in terms of timing and amounts) liability cash flows. The calculation of the adjustment reflects the spread over the risk-free rate of the assigned portfolio of assets, after a deduction for default and downgrade.

Minimum Capital Requirement (MCR): The Minimum Capital Requirement corresponds to an amount of eligible basic own funds below which policyholders and beneficiaries are exposed to an unacceptable level of risk were insurance and reinsurance undertakings allowed to continue their operations. It corresponds to the Value-at-Risk of the basic own funds subject to a confidence level of 85% over a one-year period.

Reinsurance recoverable: Reinsurance recoverable represent the amount of best estimate liabilities expected to be recovered via reinsurance treaties or special purpose reinsurance vehicles and correspond to the expected present value of the future cash flows referring to the in-force reinsurance agreements.

Risk Appetite Framework (RAF): The Risk Appetite Framework sets the overall risk strategy in terms of aggregate level of risk that Athora is willing to accept or avoid in order to achieve its business objectives.

Risk margin: The risk margin is the part of technical provisions that should ensure that the overall value of the technical provisions is equivalent to the amount a third party would theoretically require in order to take over and meet the insurance liabilities, taking into account the cost of capital required to support those liabilities over their remaining future lifetime and regarding non-hedgeable risks such as underwriting and operational risks.

Solvency II ratio: defined as the ratio between the Eligible Own Funds and the Solvency Capital Requirement, both calculated according to the definitions of the SII regime. Own funds are determined net of the proposed dividend. The ratio is preliminary since the definitive Regulatory Solvency Ratio as at the reporting date will be submitted to the supervisory authority in accordance with the timing provided by the Solvency II regulations for the official reporting.

Solvency Capital Requirement (SCR): The Solvency Capital Requirement is determined as the economic capital to be held by insurance and reinsurance undertakings in order to ensure that ruin occurs no more often than once in every 200 cases or, alternatively, that the undertakings will still be in a position, with a probability of at least 99.5%, to meet their obligations to policyholders and beneficiaries over the following 12 months.

Standard formula: The standard formula is a standard method defined by Solvency II Directive for the calculation of the Solvency Capital Requirement. The standard formula covers the following risks: non-life underwriting risk, life underwriting risk, health underwriting risk, market risk, counterparty default risk and operational risk.

Technical provisions: The technical provisions correspond to the sum of the best estimate liabilities and risk margin.

Volatility Adjustment (VA): Volatility Adjustment (VA) allows insurance and reinsurance undertakings to adjust the relevant risk-free interest rate term structure used for the calculation of the best estimate of technical provisions to mitigate the effect of bond spreads widening, the VA is calculated by EIOPA.

Executive Summary

Athora Group

Athora is a leading European savings and retirement services group. We concentrate on the large and attractive traditional life and pensions market, with an ambition to become a leading provider of guaranteed savings and pensions products in Europe. Athora serve the needs of individual and corporate customers who continue to demand products offering safety of returns and also provide innovative M&A and risk transfer solutions to other insurers seeking to enhance their capital position or enact strategic change. Athora's principal subsidiaries are Athora Netherlands N.V. (Amsterdam, Netherlands), Athora Belgium S.A. (Brussels, Belgium), Athora Lebensversicherung AG (Wiesbaden, Germany), Athora Italia S.p.A (Genoa and Milan, Italy) and Athora Life Re Ltd. (Bermuda). At 31 December 2024, Athora had asset under management of €76.0 billion, c.1,460 employees and approx. 2.8 million customers.

Athora Group (Athora Holding Ltd) is domiciled in Bermuda and is supervised by the Bermuda Monetary Authority (BMA). The BMA solvency regime is a Solvency II equivalent regime.

Athora Belgium

Athora Belgium has been part of the Athora Group since January 2019. Based in Brussels with c.190 employees, it has served the Belgian market since 1901 and provides a range of specialised life insurance solutions to retail and corporate clients through a network of over 500 independent brokers.

Athora Belgium is focused on traditional life savings and retirement products and is committed to its c.511,000 customers in fulfilling their long-term insurance needs. At 31 December 2024, assets under management and administration totalled €9.0 billion.

Athora Belgium is authorised and regulated by the National Bank of Belgium (NBB) and the Belgian Financial Services and Markets Authority (FSMA).

2024 Business and Performance

During the month of May, Athora Belgium received an additional commitment of 50 million euros from its parent company to provide additional capital if necessary. This commitment is considered to be ancillary capital, strengthening its ability to meet regulatory requirements.

In September, Athora Belgium issued a 50 million Restricted Tier 1 bond, strengthening its capital structure and its ability to meet regulatory requirements.

To strengthen our position for growth in the years ahead, our shareholder has decided to provide all the necessary resources by participating in two capital increases. The first capital increase took place in August and raised 50 million euros. The second capital increase took place in the last month of the year. Part of the 210 million euros was contributed to kind and the rest in cash.

In 2024, Athora Belgium achieved the highest ever level of premiums collected across both guaranteed-rate savings products and unit-linked products, despite market uncertainties and international changes. The launch of two innovative investment insurance products, Safe Horizon 3 and Safe Horizon 5, in September, with attractive interest rates and flexible contract extensions, contributed to this success. Additionally, Athora Belgium increased rates on its guaranteed-rate products while closely monitoring market trends.

The premiums on individual insurance contracts increased by 74.204 thousand euro thanks to the launch in the last quarter of 2023 of the new 'Serenity' product, with its attractive guaranteed rates in 2023 and 2024.

The premiums on group insurance contracts with guaranteed rates remained relatively stable (-2.472 thousand euro). However, risk premiums were affected by the departure of a number of employers.

The premiums on Branch 23 contracts increased by 64.683 thousand euro, mainly as a result of changes in the economic environment in 2024 and the amount of tax actions taken throughout the year (Athora Belgium pays the 2% premium tax on behalf of the customer).

Despite the volatility of the financial markets, Athora Belgium managed to keep its financial results under control. The capital increases were reinvested strategically (in line with our SAA). Returns on investments in Athora funds supported Athora Belgium's results. Equity positions were reduced, and the corresponding hedges were unwound.

Unit linked (branch 23) experienced growth driven by market trends and new production.

The Athora Belgium net result shows negative balance of 39.877 thousand euro.

2024 Solvency and Capital Management:

The Solvency Capital Requirement coverage ratio at YE'24 amounts to 182,7%. This means that Athora Belgium Eligible Own Funds is about 1,8 time what is needed to cover its regulatory capital needs.

Athora Belgium S.A. Solvency Ratio in Standard Formula

(€ thousand)	31/12/2024
Eligible Own Funds	709.738
Solvency Capital Requirement	388.459
Surplus	321.279
Solvency Ratio	182,7%

The Minimum Capital Requirement ratio at YE'24 amounts to 294,9% which means that Athora Belgium Eligible Own Funds is nearly 2,9 times what is required as absolute minimum in term of regulatory capital needs.

Over 2024, Athora Belgium financials performance has continued to be influenced by external market conditions and NN portfolio acquisition.

The integration of the NN portfolio to the Athora Belgium structure and platform is ongoing. This integration on Athora Belgium's platform will support the Athora Belgium growth strategy, focused on traditional life savings and retirement products in the European market, and results in a strengthened market position for Athora Belgium in the life insurance sector.

In 2024, Athora Belgium received full exemption from requirement to increase the provision for interest rate risk (flashing light reserve) from the NBB. This decision by the Regulator was based in particular on the strong Solvency position of Athora Belgium as well as on its good resistance to the stress test in an environment of persistently low interest rates.

A. Business Performance

A.1. Business

General Overview

The undertaking's name and legal form is Athora Belgium SA and the supervisory authority responsible for its financial supervision is the National Bank of Belgium (NBB). Within Athora Group, Athora Belgium immediate parent company is Athora Europe Holding Ltd (Ireland based), and it's immediate parent company is Athora Holding Ltd (Bermuda based), whose supervisory authority is the Bermuda Monetary Authority[1].

Athora Belgium SA is audited by Deloitte Réviseurs d'Entreprises srl, represented by Bianca Chang and Dirk Vlaminckx, Audit Partner[2].

The holders of qualifying holdings of Athora Belgium SA are:

Name	% of share	Nb of share
Athora Europe Holding Limited	100,0%	100.000
Total	**100,0%**	

Athora Belgium main participations are the following:

Name	Country	Currency	Solvency II value (thousand €)	Activity	% Group in capital
Groupe GVA-BC Assurances	Belgium	EUR	2.811	Brokerage	100

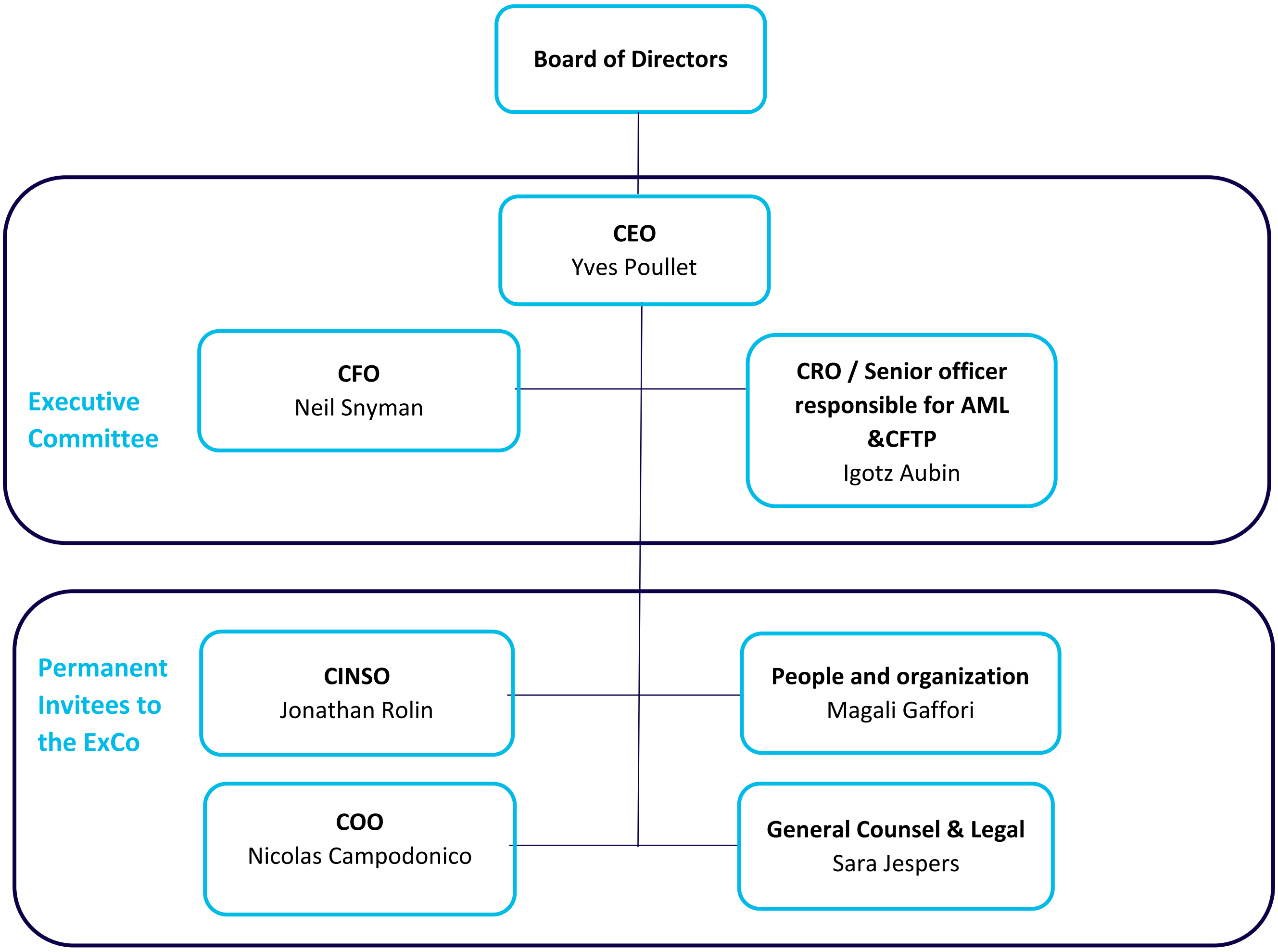
In 2024, Athora Belgium operates in Belgium selling only Life products in the following Line of Business:

- ✓ Saving & Pension ("Branche 21 & 26")
- ✓ Protection
- ✓ Unit Linked ("Branche 23")

[1] Contact details:
Bermuda Monetary Authority, BMA House, 43 Victoria Street, Hamilton HM12, Bermuda, Phone: (441) 295 5278
National Bank of Belgium, Prudential supervision of insurance and reinsurance companies, Boulevard de Berlaimont 14, B-1000 Brussels, Email: insurance.supervision@nbb.be, Phone: +32 2 221 27 31, Fax: +32 2 221 31 36

[2] Contact details: **Deloitte Réviseurs d'Entreprises SRL** Luchthaven Brussel Nationaal 1 J, 1930 Zaventem, Belgium

The organizational structure of Athora Belgium SA (31st of December 2024 view) is as follows:



Major event 2024

To strengthen our position for growth in the years ahead, our shareholder has decided to provide all the necessary resources by participating in two capital increases. Athora Belgium capital was strengthened in 2024 as follows

- ✓ Ancillary Own Funds increase over the second quarter with 50.000 thousand euro.
- ✓ Restricted Tier 1 increased by 50.000 thousand euro and Unrestricted Tier 1 increased by 50.000 thousand euro in the third quarter.
- ✓ 210.000 thousand euro in the form of Unrestricted Tier 1 (cash) for 175.000 thousand euro and Restricted Tier 1 (contribution in kind) for 35.000 thousand euro in the last quarter of 2024.

The shareholder structure was simplified during the third quarter, with the 2 minority shareholders selling their position to the majority shareholder Athora Europe Holding. Athora Europe Holding now owns all the shares in Athora Belgium.

Overall performance

Profit on ordinary activities before tax (excluding exceptional items) was down on the previous year at 24.806 thousand euro. This decline is explained by the following factors:

Change in technical result (-80.471 thousand euro) compared with the previous year:

- ✓ *Net premiums written*: Despite difficult market conditions (aggressive competition on rates, inflation and international tensions), net premiums written increased, offsetting outflows. Our individual guaranteed-rate products continue to benefit from the launch of the new 'Serenity' product and its attractive and competitive rates (+74.204 thousand euro). Group insurance products with guaranteed rates remained stable. Branch 23 products are strongly impacted by the economic environment, with a positive effect on premiums this year (+64.683 thousand euro). This increase was fully offset by an opposite movement in provisions (-€138.887 thousand euro).
- ✓ *Value adjustments to technical provisions* is mainly due to branch 23 for 52.013 thousand euro.
- ✓ *Future endowment fund*: In 2024, thanks to the good performance of our financial assets, we were able to fund the future endowment fund to the tune of 25.000 thousand euro, 5.000 thousand euro more than in 2023.
- ✓ *Allocation for profit sharing*: Compared with previous years, the allocation for profit sharing has been increased by 8.190 thousand euro to remain competitive and attractive in the market, and to avoid any erosion of our customer portfolio.
- ✓ *Other technical expenses and costs*: Other expenses rose by 7.402 thousand euro to cover the branch 23 tax action and taxes linked to the insurance contract for which no provision has been made. Expenses increased by 4.218 thousand euros.
- ✓ *Non-life business*: The non-life business acquired following the takeover of NN's portfolio generated a non-material result of 406 thousand euro.

56.468 thousand euro increases in gross financial income, mainly due to:

- ✓ Net income from Branch 23: A 52.013 thousand euro increase in net income from Branch 23, offset by a similar and opposite change to the liabilities.
- ✓ *Fixed-income securities*: An increase in investment in bonds led to a rise in the income from fixed-income securities.
- ✓ *Portfolio management costs*: A reduction in portfolio management costs of 4.401 thousand euro.

The exceptional result was negatively impacted by 20.607 thousand euro, mainly due to the integration of the portfolio acquired in 2022, the acceleration of the amortisation of the goodwill recorded following this acquisition, and the withdrawal of the new administrative management system for our group insurance contracts, which had not reached the quality levels required for our corporate customers

A.2. Underwriting performance

Despite the many uncertainties in the market and changes in the international environment, 2024 was a historic year for Athora Belgium in terms of growth in premiums collected, both on our guaranteed-rate savings products and on our unit-linked products.

At the beginning of September, Athora Belgium launched two innovative products in branch 26 (investment insurance), Safe Horizon 3 and Safe Horizon 5 stand out for their attractive interest rates at 3 and 5 years, as well as for the possibility of extending the contract at maturity, at no extra cost, thanks to their underlying term of 99 years.

Athora Belgium has also increased the rate on its guaranteed-rate products, while keeping a close eye on market trends.

Looking in more detail at changes in life products compared with 2023, and excluding the acquisition of the NN portfolio, we see an increase of 130.438 thousand euro compared with the previous year. This increase is due to the following factors:

- ✓ Premiums on individual insurance contracts increased by 74.204 thousand euro thanks to the launch in the last quarter of 2023 of the new 'Serenity' product, with its attractive rates in 2023 and 2024.
- ✓ Premiums on group insurance contracts with guaranteed rates remained relatively stable (-2.472 thousand euro). However, risk premiums were affected by the departure of several employers.
- ✓ Premiums on Branch 23 contracts increased by 64.683 thousand euro, mainly as a result of changes in the economic environment in 2024 and the tax actions undertaken throughout the year.

A.3. Investment performance

Despite the changing environment on the world's financial markets, Athora Belgium has managed to keep its financial results under control.

The capital increases were reinvested in the financial market in line with our strategic asset allocation. The general fall in interest rates has eased the pressure on our bond portfolio, caused by the continuous rises over the last two years and the increased spreads associated with European sovereign bonds.

Athora Belgium obtains the necessary returns from these investments in Athora Lux funds, which contributes to the financial result of branch 21 and to the distribution of profit sharing in line with our customers' expectations.

Positions held directly in equities were reduced in line with our asset allocation and the related hedges were unwound.

Branch 23 continues to grow, driven by market trends and new production

A.4. Performance of other activities

Athora Belgium has no other activities to be disclosed.

A.5. Any other information

Athora Belgium, like other companies of the Athora Group, receives administrative services from the following companies:

- AHL (Athora Holding Limited), is a Bermuda-based holding company.
- AI (Athora Ireland) is an Irish-based European reinsurance hub which provides capital optimisation and risk management solutions.
- ARE (Athora Life Re Ltd), is a Bermuda-based reinsurance company offering to European life insurers solutions of capital optimization and risk management.
- ASB (Athora Service Belgium), subsidiary of Athora Group in Belgium, it provides services for all the Athora Group entities.
- AUK (Athora UK Service), subsidiary of Athora Group in the United Kingdom, it provides services for all the Athora Group entities.
- AIS (Athora Ireland Service), Irish-based subsidiary of Athora Group, it provides services for all the Athora Group.

Other administrative services received by companies in partnership with Athora Group.

- Apollo Asset Management Europe LLP, a management company provide services in management and gives portfolio advisory services. it provides advice for all the Athora Belgium portfolio.
- ISGI is a subsidiary of Apollo which provides asset allocation and risk management advisory services.

B. System of governance

B.1. General Information on the system of governance

Athora Belgium roles and responsibilities are divided in 3 functions:

- ✓ Board of Directors
- ✓ Executive Committee
- ✓ Independent Control Functions

➢ The Board of Directors

The Board of Directors is the highest decision-making body of Athora Belgium, with the exception of matters reserved for the Executive Committee, General Meeting of Shareholders or for another body. The Board of Directors holds the final responsibility for the insurance company.

In general, the Board of Directors has two specific functions: a strategic function and the supervision of management.

Within its strategic function, the Board of Directors defines:

- ✓ The general strategy and the objectives of Athora Belgium
- ✓ The risk policy, including the general limits on risks and the risk appetite level.
- ✓ The Board also approves the integrity (ethical) policy including conflicts of interest, whistleblowing, prevention of money laundering and terrorist financing, codes of conduct, privacy policy, etc.

The Board of Directors supervises activities and evaluates the effectiveness of the governance system. The supervision must cover all the areas of activity and focus on the Executive Committee and respect of the risk policy.

The Board also interacts with the independent control functions and determines actions based on their conclusions.

In order to support the Board in its activities, three specialised committees have been set up within the Board. These committees support and advise the Board, but the decision power remains with the Board.

The **Audit & Risk Committee** assists the Board in the following domains: financial reporting, internal control, internal audit and the statutory auditor and advises in all aspects concerning the actual and future risk strategy and risk tolerance level.

The **Remuneration and Nomination Committee** advice on the remuneration (policy) to avoid that the remuneration would encourage taking excessive risks or lead to behaviour which is not in the interest of the company. It also advises on the nominations of new Board of Directors or Executive Committee members and Head of independent control functions.

The **Conflicts Committee** advises the Board on material intra group transactions in order to manage conflicts of interest.

Besides this, the Conflicts Committee also reviews the financial (liquidity) situation of the Athora Holding Limited in order to provide assurance on their ability to meet their financial obligations towards the company when needed and at any moment.

➢ The Executive Committee

The Executive Committee is a decision-making and collegial body charged with managing the operational activities of Athora Belgium (the management function) and this comprises the following activities and responsibilities:

Execution of the strategy defined by the Board and managing the company by setting up processes and procedures and executing the day-to-day management and ensuring a corporate culture with strict ethics.

Execution of the risk management system: translating the risk management framework in processes and procedures and taking mitigating measures to identify and control all relevant risks (financial risks, insurance risks, operational and other risks).

Implementation, follow up and evaluation of the organisational- and operational structure to support the strategic goals in line with risk appetite framework and the internal control framework .

Implementing the integrity policy as defined by the Board

Reporting to the Board of Directors and the NBB

The Executive Committee has established the following advisory and preparatory committees: Risk Management Committee, Legal & Compliance Committee, Life Product and Underwriting Committee, Operational Committee, Transformation Board, Asset & Liability Committee and Model Committee.

➢ Independent Control Functions

Sound governance implies the set-up of independent control functions, more particularly: compliance, risk management, internal audit, and the actuarial function.

The Compliance function is a permanent and independent function that reports and recommends on the integrity of the activities and the control of the main Compliance risks: the risk of legal or regulatory infringements, financial loss or harm to the good reputation. The compliance function reports and recommends on a regular basis on the compliance with the legal and regulatory rules. Main compliance domains are anti money laundering and counter finance terrorism, customer protection, privacy, conflicts of interest, reputation.

The Risk Management Function reviews the accurate implementation of the risk management system in accordance with the Solvency II Directive. The Risk Management function is responsible for the overall risk profile monitoring and reporting. This Function supports the Board of Directors and Executive Committee in defining the risk management strategies and tools for identifying, assessing monitoring and mitigating risks. It is also responsible for the testing of the internal control system.

The Actuarial Function provides quality assurance for the actuarial calculations and the underlying hypothesis. In this respect, the function regularly reports on its activities, including its findings and recommendations. The function advice on the accuracy and adequacy of the calculations of the technical provisions, and on the sources and the level of uncertainty of the estimation of these. This reasoned analysis is substantiated by a sensitivity analysis in which the sensitivity of the technical provisions is assessed for each of the major risks linked to the obligations covered by the technical provisions.

The Internal Audit Function is an independent and objective function to examine and evaluate the adequacy, functioning, effectiveness and efficiency of the internal control system and all other elements of the system of governance, with a view of improving the efficacy and efficiency of the internal control system of the organisation and of the governance processes.

In order to guarantee their (key / control function) integrity and independence in the fulfilment of their mission, the independent control functions have been accorded certain specific rights, namely:

- ✓ right of initiative and authorisation to intervene in all structures, access all documents needed and have any assistance from the members of staff.
- ✓ the guarantee to be open on their findings and assessments to the Executive Committee, to the Audit & Risk Committee, the Board of Directors, the external auditor or the supervisory authorities, with direct access to the Board of Directors and the Audit and Risk Committee

The Control Functions are independent functions within Athora Belgium. This means that they do not have direct operational responsibility or authority over any of the activities controlled, they must be protected against any possible conflict of interests, they must exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined.

Regular reporting to the Board, the Audit & Risk Committee and the Executive Committee is foreseen, including an annual status report and planning. Besides this, the independent control functions inform the Board of Directors and the Executive Committee at their own initiative, on their concerns and warn if specific risk developments (could) have a negative impact on Athora Belgium and could harm its reputation.

B.1.2. Changes in the system of governance

During the reported period the following changes took place: the risk landscape has been improved by redefining the Exco advisory committees in order to pre-discuss and align with all stakeholders the (risk) topics for the Executive Committee.

B.1.3 Remuneration policy (fixed and variable components, performance criteria, supplementary pensions)

The Company has adopted a remuneration policy in order to set the Company's philosophy and principles with regard to the way it compensates and incentivises its directors and employees and this in line with Solvency II regulations and the guidelines of the National Bank of Belgium. The policy takes into account the risk appetite of the Company and supports the Company Strategy and the business objectives. Some aspects of the remuneration vary on an annual basis, these are contained within the separate 'Total Reward Guideline' of the HR department.

The Company's Total Reward proposition consists of a range of financial and non-financial benefits.

Financial benefits most commonly comprise cash remuneration and, in some cases, this can also be defined as shares or other financial instruments, contributions to retirement plans, etc.

Typical non-financial benefits can include funding for healthcare and other insured benefits, as appropriate to our markets. Importantly, non-financial benefits are also deemed to include a positive and productive work environment, leading edge performance management practices, a range of developmental and/or educational experiences and the opportunity for structured career progression.

Most elements are tested routinely against market data with the support of independent specialists.

The reward package of an employee consists of the following elements: fixed basic remuneration, variable compensation, benefits including pensions, recognition awards.

B.2. Fit and proper requirement

Athora Belgium has set fit and proper requirements in line with the NBB regulation and the revised NBB "Fit and Proper handbook" for the members of the Board of Directors, of the Executive Committee and the members of the control functions (Relevant Personnel)

Besides the individual skills and requirements, also the collective expertise of the Board and the Exco is important. Members of the Board of Directors and the Executive Committee must have an appropriate understanding of, and contribute to, areas of the business for which they are collectively accountable with the other members, even if an individual member is given sole responsibility for specific areas, and the aim is to have the following different expert domains represented in those organs, both individual and collective.

For the Board, the following expertise should be present: insurance and financial markets, legal and regulatory framework, strategic planning, the understanding of an insurance undertaking's business strategy or business plan and accomplishment thereof , risk management, accounting and auditing, people management, governance and internal control, interpreting financial information, identifying key issues based on this information and appropriate controls and measures, actuarial sciences, ICT and security, prevention of money laundering and terrorist financing and knowledge and experience of climate- related and environmental risks.

For the Audit and Risk Committee, at least one member has the individual expertise in the domain of accountancy and/or audit; all members have individually the appropriate knowledge, expertise, experience or skills to understand and comprehend the risk strategy and the risk tolerance of an insurance company.

Also, the personal and management skills are considered: managerial attitude, strategic thinking, integrity, ability to function in a multinational environment, business orientation, team-player, active and open in communication, independent judgment, balanced/prudent decision-making, etc

The Executive Committee needs to include at least the CEO, CFO and CRO. This can be extended with persons who have the following expertise: Operations, Life insurance & distribution, HR and General Counsel/Head of Legal.

All members of the Executive Committee must be natural persons.
The members of the Executive Committee are nominated for an indefinite term, but the mandate will end in any case when the Executive Committee member is no longer nominated as director or~~,~~ when the Board of Directors would decide to end the mandate.

The Heads of the Independent Control Functions need to have an appropriate knowledge and professional experience in a sufficient number of the following areas: life insurance technique, team & people management, internal control & risk, business strategy, financial statements, specific dedicated professional expertise for each Head of Control Function.

The skills required for the Heads of Control functions are defined as follows: management experience and leadership, adaptability, integrity, independence, creativity/innovation, communication ability, team player, collective suitability.

The professional integrity of the person is assessed based on different indications such as: clean criminal record, no negative assessments from supervisory authorities.

The Board of Directors nominates the Executive Committee members and control functions and proposes the new Board members to the meeting of shareholders. The fit and proper assessment is prepared and advised by the RNC. Each nomination is subject to approval of the NBB.

The assessment is done based on the following documents: the applicable standard application file drafted by the National Bank of Belgium, curriculum vitae, extract from the judicial record, and other useful documents.

B.3. Risk management system including the own risk and assessment

B.3.1. Enterprise Risk Management Framework

The Enterprise Risk Management (ERM) Framework describes Athora's ERM Framework, which includes Risk Appetite and Strategy, Risk Governance, Risk Culture, Risk Measurement and Assessment, Risk Management and Monitoring, Risk Reporting and Insights and Data and Technology.

The ERM Framework lays the foundations for managing risk throughout Athora. At a high level, ERM involves:

- ✓ Understanding risks Athora is facing.
- ✓ Maintaining a framework through which risk return trade-offs associated with these risks can be assessed.
- ✓ Maintaining risk policies, to manage exposure to a particular risk or combination of risks.
- ✓ Monitoring risk exposure and actively maintaining oversight over the Company's overall risk and solvency position.

The objective of this ERM Framework is to ensure that Athora management and staff have a clear and common understanding of the Company's risk management system and adhere to the principles and governance of the system.

The operational implementation of the risk management system is further described in the risk management policies and guidelines.

To support its Risk Management System, Athora Belgium has implemented a "three lines of defence" risk management governance model to ensure that risks are clearly identified, owned and managed. The three lines of defence governance model is designed to meet Solvency II requirements as follows:

- ✓ **First Line:** Business management takes risks and is responsible for day-to-day risk management.
- ✓ **Second line:** Governance and control functions such as Risk Management, Compliance and Actuarial Function help business management manage and control specific types of risks by providing appropriate oversight and challenge.
- ✓ **Third line:** The Internal Audit function provides Board and management with independent assurance of the design and operating effectiveness of governance, risk management, and internal controls.

As the name suggests, the Enterprise **Risk Management Framework** (also called "Risk Management System") is an enterprise-wide matter and extends to all business functions. Risks need to be identified, understood, and assessed (against levels defined as acceptable) before the right controls can be designed and implemented. Risks are managed from multiple perspectives, including economic, regulatory and accounting.

Athora considers ERM under the following headings and areas:

Through this structured approach, Athora maintains an effective risk management system and adheres to the requirements of Solvency II regulations in respect of Risk Management.

Moreover, the ERM Framework is directly linked to the **Risk Appetite & Strategy**, which is an integral part of the business strategy and determines how Athora Belgium selects risks it can control and extract value from in line with its strategy.

Risk Appetite and Strategy is translated into specific Risk Policies and Limits for the relevant risk types, which set out the policy objectives, requirements, the roles and responsibilities, as well as the required processes and controls for each risk.

Finally, Athora sets out the universe of risks that make up its risk profile in the Athora **Risk Universe**. The purpose of the Risk Universe is to set out the material risks that Athora is exposed to as a bespoke risk management tool, i.e. the Risk Universe is intended to be specific to Athora and will therefore differ to other (e.g. regulatory or industry) risk registers. The Risk Universe is reviewed at least annually by the Group and cascaded down locally. However, it may be updated more frequently as new material risks arise, e.g. through new transactions or changes in the external environment.

B.3.2. Own Risk Solvency Assessment Process

The Own Risk and Solvency Assessment process is a key component of the Risk Management system which aims at assessing the adequacy of the solvency position and the risk profile on a current and forward-looking basis.

The Own Risk and Solvency Assessment process documents and properly assess the main risks Athora Belgium is exposed to or might be exposed to on the basis of its Integrated Management Plan exercise. It includes the assessment of the risks in scope of the Solvency Capital Requirement calculation, but also the Other Risks not included in Solvency Capital Requirement calculation. In terms of risk assessment techniques, stress test and sensitivity analysis are also performed with the purpose to assess the resilience of Athora Belgium risk profile to changed market conditions or specific risk factors.

The Own Risk and Solvency Assessment framework in Athora Belgium is implemented according to the requirements provided by the National Bank of Belgium (NBB_2022_09 circular) and in alignment with the Athora Group ORSA Policy.

The Chief Risk Officer coordinates the Own Risk and Solvency Assessment process within his area and with the contribution of other departments (mainly Finance, Actuarial Function and Business).

The Own Risk and Solvency Assessment Report is prepared at least annually as required by the Belgian Regulator. The Own Risk and Solvency Assessment Yearly Report is presented and validated by the Executive Committee and by the Board of Directors of Athora Belgium before being sent to the Regulator.

On a quarterly basis, a light Own Risk and Solvency Assessment report (presented in the form of a Risk Dashboard), focusing on the key risks and performance indicators, is shared by the Chief Risk Officer with the Risk Management Committee, the Asset-Liability Management Committee (for specific risks like Credit risk, ESG Risk and Liquidity risk), the Executive Committee and the Board of Directors (also discussed at Audit and Risk Committee). This broad sharing of risk reporting aims at keeping all their members continuously and properly informed about the risk profile development and thus, supporting the decision-making process of the Company.

During the strategic plan finalisation phase, the forward-looking risk assessment is also updated in line with the Integrated Management Plan.

A non-regular Own Risk and Solvency Assessment report should also be produced in case of significant change.

B.3.3. Risk embedding in capital management process

Risk and capital management processes are closely integrated processes. This integration is deemed essential in order to align business and capital management processes. Through its Own Risk and Solvency Assessment Process, Athora Belgium aims at achieving the assessment of its risk profile under a short or mid-term perspective according to its Integrated Management Plan. This will ensure the inclusion of the risk strategy into the operating business and enhancement of a common risk mindset fully embedded within Athora Belgium system of Governance.

The integration of the Own Risk and Solvency Assessment process with business planning is particularly needed in order to enable Own Risk and Solvency Assessment outputs to feed the business strategy update and to constructively contribute to the planning. Moreover, the Integrated Management Plan exercise is used as input underlying the Solvency projections aiming at giving a risk and return perspective on the mid-term strategy of Athora Belgium.

To grant risk and business strategy alignment on an ongoing basis, the Risk Management Function actively supports the Integrated Management Plan process and relies on its output to assess the adequacy and quality of own funds to cover the overall solvency needs during the planning period.

B.4. Internal control system

B.4.1. Internal control

Athora Belgium has set up an organisational and operational structure aiming at supporting its strategic objectives and operations.

To that aim, Athora Belgium has set its own strategies and policies as well as implemented procedures and appropriate internal control framework to ensure adherence to these policies.

The Athora Belgium internal control and risk management system is founded on the establishment of the three lines of defence:

- ✓ **First Line:** Business management ("Risk Owners") takes risks and is responsible for day-to-day risk management.
- ✓ **Second line:** Governance and control functions such as Risk Management, Compliance and Actuarial Function help business management manage and control specific types of risks by providing appropriate oversight and challenge.
- ✓ **Third line:** The Internal Audit function provides Board and management with independent assurance of the design and operating effectiveness of governance, risk management, and internal controls.

The Risk Management Function is owned by the Chief Risk Officer (CRO), the Actuarial Function reports hierarchically to the CRO while keeping its direct access to the Board of Directors, and the Compliance Function reports hierarchically to the Chief Executive Office. For further information please refer to section B3 of the Solvency Condition Financial Report.

The Board of Directors ensures that Athora Belgium internal control and risk management system as well as the other elements of the system of governance are always consistent with European and Belgian Directives and the internal Risk Policies. To this end, the Board of Directors reassesses the consistency of Internal Control System periodically and at least once a year.

The Board of Directors holds the ultimate responsibility for the compliance with applicable laws, regulations and administrative provisions, including those adopted pursuant the Solvency II Directive. The other bodies responsible for the implementation of the Internal Control System are the Audit and Risk Committee, the Executive Committee, and the Risk Management Committee.

While the ultimate responsibility of the internal control system relies on the executive management, they delegate the activities to executives, managers, and risk observers. The Risk Owner is the ultimate person responsible for a process. He identifies the significant risks inherent to his activities, controls all the activities included in the process, as well as the objectives, the scope, and relevant indicators for that process. The Risk Owner's responsibilities are:

1. Ensuring the proper documentation of the process.
2. Implementing the necessary actions to cover the main risks, from risk identification, description, assessment, and management to risk monitoring.
3. Ensuring the implementation of a proper internal control system in his area of responsibility.
4. Validating and steering the implementation of new controls.
5. Ensuring the timely and adequate communication of the information related to internal control system.

Control activities are an integral part of every business process and primarily fall under the responsibility of the manager of each organisational unit. According to the 'Risk & Control Self-Assessment' (RCSA) principle, each process owner is directly responsible for and therefore aware of the imperative need to achieve the objectives in terms of effectiveness, efficiency and quality of the activities related to risk management and control mechanisms inherent to its own activities. These responsibilities are defined for each operational unit, each service, and each function, in accordance with the company's organizational structure.

Therefore, each employee of Athora Belgium must comply, at his/her level, with the guidelines derived from the internal control policy, which have been drawn up to facilitate understanding and promote the importance of deploying the internal control system efficiently and effectively.

The management in charge of preparing Athora Belgium financial statements is subject to a particular attention. In collaboration with the General Management, it must certify that the financial statements have been prepared in accordance with the appropriate administrative and accounting procedures, that the financial statements are completely consistent with the accounting records made during the year and that they also represent a true and fair view of the economic reality of Athora Belgium. To this aim, a specific role is given to the Chief Financial Officer who is the ultimate responsible for the consistency of the financial statement with the economic situation of the company. Therefore, he uses the internal control system monitoring results for getting assurance on the completeness, valuation and adequacy of the financial data related to processes feeding the most significant accounts. This statement is also used by the Athora Group for certifying its consolidated financial statements.

The internal control function is a centralised department dedicated to the monitoring of the internal control system put in place throughout the company.

B.4.2. Compliance function

In accordance with the regulations on the Compliance function, and the Athora Group Compliance Risk Universe, Athora Belgium has adopted the necessary measures to have a suitable, permanent and independent Compliance function. This aims at ensuring observance by the company and its directors, Executive members, employees and authorised agents, of the principles of integrity and rules of good conduct relating to its activities, with a sufficient control of the main Compliance risks. The main roles, responsibilities and status of the Compliance function are defined in the Compliance Charter. The functions of AMLCO and of DPO are also carried out by the Head of Compliance.

Compliance shall be part of the culture of the organisation; it is not exclusive responsibility of the compliance staff. The Compliance Function participates in protecting the Company from losses and damages, improving the way business is done. The Compliance Function assists in identifying, assessing, and monitoring compliance risks arising from failure to comply with the applicable laws and regulations and internal rules and participates, in an independent way, to the management of risks.

The Compliance Operating Model provides for the following eight core activities:

- ✓ **Annual activity Plan:** The compliance function is carried out according to an (pluri-)annual activity and an annual monitoring plan. Those are based on specific risks and business needs.
- ✓ **Legal watch and advisory function**: The compliance function ensures oversight and participates to the provision of legal watch services to identify new regulations and has an advisory function on compliance domains.
- ✓ **Review and validation:** compliance advises and validates process and business decisions at several stages to ensure compliance, in both projects or Business as Usual (BAU) mode.
- ✓ **Policies and Procedures:** The compliance function ensures oversight of Athora Belgium internal norms' management process. It also ensures completeness, timely and adequate coverage of its own internal norms.
- ✓ **Compliance Risk identification and measurement:** setting up a process to identify the compliance obligations and the relevant Risk Owners, evaluating and updating the compliance risk exposure of strategic projects, significant transactions and new products, and evaluating the level of adequacy to achieve its intended outcomes.
- ✓ **Compliance monitoring and control:** gathering information to assess the effectiveness of the Compliance Management System.

- ✓ **Awareness-raising, information and training**: The Compliance function organizes trainings to enhance the awareness on compliance topics and oversights the proper training of internal staff, collaborators and Fit & Proper functions.
- ✓ **Reporting:** on all ethical, regulatory and compliance topics to the CEO, to the Board and the Executive Committee as well as to the Group Compliance Function.

B.5. Internal Audit function

The purpose of the Internal Audit Function is to strengthen Athora Belgium's ability to create, protect, and sustain value by providing the Athora Belgium Audit & Risk Committee and Management with independent, risk-based, and objective assurance, advice, insight, and foresight.

The Internal Audit Function supports the achievement of the Internal Audit Strategy through promotion of a risk conscious environment and by identifying and recommending actions to mitigate downside risks in a manner which does not inhibit the realisation of opportunities (or upside risks).

The Internal Audit Function seeks to positively influence standards, ensure identification and remediation of issues and sharing of lessons learned for the on-going benefit of the company and its stakeholders.

The Internal Audit Functions authority is created by its direct reporting relationship to the Athora Belgium Audit & Risk Committee.

The Internal Audit Function reports functionally to the Chair of the Athora Belgium Audit & Risk Committee and administratively to the Athora Belgium Chief Executive Officer. This positioning provides the organisational authority and status to bring matters directly to Management and escalate matters to the Athora Belgium Audit Committee, when necessary, without interference and supports the Internal Auditors' ability to maintain objectivity.

Such authority allows for unrestricted access to the Athora Belgium Audit & Risk Committee. The Athora Belgium Audit & Risk Committee authorises the Internal Audit Function to:

- ✓ Have full and unrestricted access to all functions, data, records, information, physical property, and personnel pertinent to carrying out Internal Audit responsibilities. Internal Auditors are accountable for confidentiality and safeguarding records and information.
- ✓ Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques, and issue communications to accomplish the function's objectives.
- ✓ Obtain assistance from the necessary personnel of Athora Belgium and other specialised services from within or outside Athora Belgium to complete Internal Audit services.
- ✓ Have access to organisations that carry out outsourced functions on behalf of the Athora Belgium and are subject to the existence of the Athora Belgium's contractual right to audit.

B.6. Actuarial function

B.6.1. Requirements

The main regulatory requirements of the Actuarial Function are described in the following sources:

- ✓ Solvency II Directive (2009/138, Article 48),
- ✓ Delegated Regulation 2015/35 (Articles 272 and 308),
- ✓ Law of 13th March 2016 (reviewed in 2018) relating to the status and control of the (re)insurance companies,
- ✓ National Bank of Belgium (NBB) circular 2016_31 (reviewed in May 2020) on the system of governance,
- ✓ NBB Circular 2016_26 on the calculation of the TPs,
- ✓ NBB Circular 2017_27 on the quality of reported prudential and financial data,
- ✓ NBB Communication 2017_32 on the horizontal analysis of costs in TPs valuation,
- ✓ European Standard of Actuarial Practice 2 relating to the Actuarial Function Report,
- ✓ Other relevant rules and legislations issued by the NBB.

In keeping with the provisions of Article 59 of the Solvency II law and section 5.3 of the National Bank of Belgium (NBB) circular 2016_31 (reviewed in May 2020) on the system of governance, the main responsibilities of the Actuarial Function are as follows:

- ✓ Coordinate the calculation of Solvency II technical provisions,
- ✓ Ensure that the methodologies, underlying models and assumptions used for the calculation of the technical provisions are suitable,
- ✓ Assess the sufficiency and quality of the data used in the calculation of technical provisions,
- ✓ Compare best estimates against experience,
- ✓ Inform the board of directors and the management committee of the reliability and adequacy of the calculation of technical provisions,
- ✓ Express an opinion on the overall underwriting policy,
- ✓ Express an opinion on the profit-sharing policy,
- ✓ Express an opinion on the adequacy of the reinsurance arrangements,
- ✓ Contribute to the effective implementation of the risk management system,
- ✓ Validate the documentation of the company related to the application of transitional measures of the Solvency II framework.

As part of its responsibilities the Actuarial Function discusses with the owners the newly issued and outstanding recommendations from past years for the purpose of:

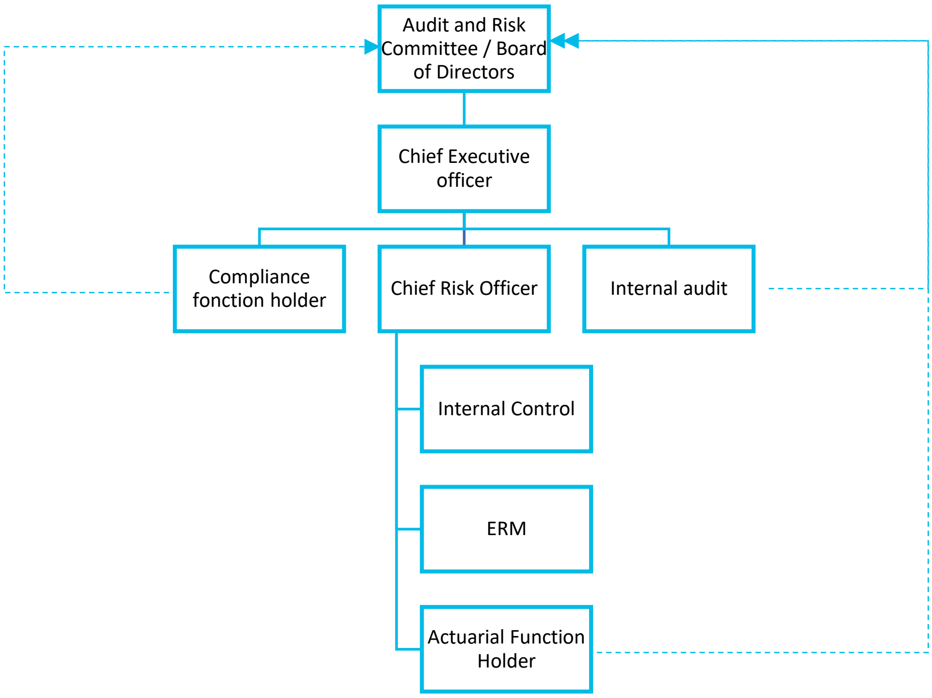
- ✓ Aligning on remediating priorities,
- ✓ Clarifying the recommendations where needed,
- ✓ Ensuring the pending issues have the required management attention,
- ✓ Managing expectations of involved stakeholders.

B.6.2. Organisation

Within Athora Belgium, the Actuarial Function is co-ordinated by the Chief Risk Officer (CRO). In other words, from an organisational point of view, the Actuarial Function Holder of Athora Belgium is under the responsibility of the CRO who is mandated by the Executive Committee to ensure that the Actuarial Function has the means to perform its duties. Since February 2025, the Actuarial Function has been outsourced to KPMG Belgium.

In order to warrant independency, the Actuarial Function has a direct functional reporting line to the Board of Directors, to which it has independent and direct access, and is permanently invited to the Audit and Risk Committee. Therefore, the Actuarial Function can provide independent opinions directly to the Board.

The diagram below illustrates the reporting lines in place within Athora Belgium since August 2020 for the Actuarial Function Holder, together with the other Second Line of Defence Functions:



B.6.3. Solvency II Technical Provisions:

The Actuarial Function has no fundamental issues with the Solvency II Technical Provisions and their related process. There is an ongoing project of migrating these calculations towards a new actuarial platform which is planned to be operational across Athora Belgium product set in 2025. The new platform will be more tractable than the current which will contribute in reducing uncertainties that come naturally with Best Estimate Liabilities calculations.

B.6.4. Statutory:

Based on the information received and the controls performed, the BEGAAP Life provisions as of Year End 2024 are considered adequate and compliant with the regulatory requirements.

B.6.5. Data Quality:

The Actuarial Function is of the opinion that the Data Quality Framework is up to market standards when it comes to its setup and its review cycle has started in mid-2024. The integration of the Verdi portfolio acquired from NN is ongoing and a point of attention will be the successful migration of this portfolio towards Athora Belgium mainframe system. Universal life products were successfully migrated on 8 and 9th of February 2025, while classical products are expected to migrate over 2025 and 2026.

B.6.6. Profit sharing:

Athora Belgium ensures a fair total return by defining a profit-sharing budget considering the different guaranteed rates over both AB and Verdi portfolios.

B.6.7. Underwriting:

Overall, the Actuarial Function has no concerns with regards to the principles laid down in the Underwriting Policy and the way they are applied within Athora Belgium.

B.6.8. Reinsurance:

The Actuarial Function considers that the Reinsurance Arrangements as of YE24 are conforming with the Reinsurance Policy and the Risk Appetite Policy.

B.6.9. Risk management system:

The Actuarial Function contributes to the Risk Management by participating in the drafting of the ORSA, RSR, SFCR, and Self-assessment reports, and by reviewing various deliverables, namely:

- ✓ Capital Management Plan (Yearly) – process owned by CFO.
- ✓ QRT validation (Quarterly) – process owned by CFO.

In addition, the Actuarial Function has a standing invitation to the RMC (chaired by the CRO) where he delivers opinion on changes in models, methodologies, assumptions.

B.6.10. Transitional measures SII:

Athora Belgium applies neither the transitional measures for technical provisions nor the transitional measures for the risk-free curve.

B.7. Outsourcing

Athora Belgium has an **Outsourcing policy** (“Policy”) in place to manage the outsourcing arrangements.

For each outsourcing, the Exco decides whether it concerns an outsourcing of a critical and important function and if this is the case, the Board needs to approve the outsourcing, and it is notified to the NBB. For these outsourcings, the due diligence and monitoring is stricter.

The reasons for the critical/important outsourcings are due to specialised competencies, benefit of scale, group wide practices and improved pricing.

B.8. Any other information

There is no specific other information to be provided.

C. Risk profile

C.1. Underwriting risk

C.1.1. Risk exposure and assessment

Athora Belgium manages risks to limit its risk exposure to a level that is acceptable for the company. To this end, there is a Risk Management system in place to ensure that the overall business activity is consistent with the Risk Appetite Framework and Strategy. The control and monitoring of risk exposures rely on the following processes:

- ✓ The definition of operative risk limits consistent with the Risk Appetite Framework and monitoring of risk exposure in respect of these limits.
- ✓ The reinsurance strategy which is developed consistently with the Risk Appetite and the Risk preferences defined in the Risk Appetite Framework and with the reinsurance market cycle.
- ✓ The monitoring of the development of the Solvency Capital Requirement on a quarterly basis, to verify the development of the risk profile in line with the planned development of the exposures and the Risk Balance.

The risks included in the portfolio

The main Underwriting Risks in the Company's portfolio are Lapse, Expense, Longevity and Mortality Risks.

The Life portfolio also includes pure risk covers, with related Mortality Risk, and some annuity portfolios, with the presence of Longevity Risk.

Exposure to morbidity/disability risk remains of low materiality, as well as exposure to Health Risk (Similar to Life Technique), arising from a small portfolio of guaranteed income policies.

Finally, Expense Risk is present on all the products in portfolio.

Risk assessment

The approach underlying the Life Underwriting Risk measurement are calculated in accordance with the Standard Formula requirements, i.e. on the basis of the difference between the Solvency II Technical Provisions after the application of a stress to the biometric/operating assumptions and the Solvency II Technical Provisions under best estimate expected conditions.

C.1.2. Risk management and mitigation

The techniques for mitigating, monitoring and managing the Life Underwriting Risks are based on quantitative and qualitative assessments embedded in the processes that are carefully defined and monitored both at Company and Group level.

Risk mitigation

Robust pricing and ex-ante selection of the risks through underwriting are the main two defences against Life Underwriting Risks.

Underwriting Risk can also be transferred through reinsurance to another (re)insurance undertaking in order to reduce the financial impact of these risks on the Company, and thus reduce the SCR held to cover them.

At year-end 2024, Athora Belgium has yearly renewal term reinsurance treaties with external reinsurers to reduce underwriting volatility related to mortality and disability risk. In addition, Athora Belgium has also two intra-group quotas share reinsurance treaties with Athora Ireland and Athora Re Plc (Bermuda) to transfer the underwriting and market risks associated with a part of the Group life business portfolio and a part of the Individual traditional business portfolio respectively.

Product pricing & underwriting process

An effective product pricing consists in setting product features and assumptions regarding expenses, biometric, policyholders' behaviour assumptions so as to allow the Company to withstand any adverse development in the realisation of these assumptions. For saving business, this is mainly achieved through profit testing, while for protection business involving a biometric component, this is achieved by setting prudent assumptions.

Athora Belgium issues underwriting guidelines, determines operating limits to be followed and defines the standard process to request exemptions in order to maintain the risk exposure between the pre-set limits and ensure a coherent use of the capital in alignment with its Risk appetite Framework.

Role of Risk Management in pricing and product approval processes

The CRO supports the pricing process as a member of the Life Product & Underwriting Committee.

The product approval process foresees a review by the Risk Management Function that the new products or tariffs are in line with the Risk Appetite Framework (both in regard to quantitative and qualitative dimensions) and that risk-capital is considered as part of the risk-adjusted performance management.

C.2. Market risk

C.2.1. Risk exposure and assessment.

Athora Belgium is exposed to the following Market Risks, that:

- ✓ Invested assets do not perform as expected because of falling or volatile market prices.
- ✓ Cash from maturing bonds or loans are reinvested at unfavourable market conditions, typically lower interest rates.

Here below a short description of the major types of business Athora Belgium operates in traditional life business (branch 21) with guarantees and unit-linked funds (branch 23).

For the evaluation of its Market Risk, Athora makes use of the EIOPA Standard Formula, as ruled by the Solvency II Directive, complemented by additional measurement techniques deemed appropriate and proportionate. In detail, Athora Belgium is exposed to equity risk, interest rate risk, currency risk, property risk, spread risk and concentration risk. The current allocation to the above-mentioned risks by Athora Belgium is deemed appropriate. The asset allocation is mainly oriented towards fixed income instruments. This is explained by the high level of predictability of cash flows coming from corporate bonds and government bonds and the higher return on the private loans and mortgage loans. In accordance with its strategy, Athora Belgium also invests in private equity which show lower volatility than public equities.

More in detail, Athora Belgium is exposed mainly to the following asset classes:

Exposure by classes of Assets	
Government Bonds	28,9 %
Corporate Bonds	30,0 %
Private Loans	22,2 %
Mortgage Loans	7,8 %
Real Estate	0,0 %
Equity	0,8 %
Cash & Other	10,3 %

Common risk measurement methodologies (both qualitative and quantitative) are applied in order to provide an integrated measurement of the risks borne by Athora Belgium.

C.2.2. Risk management and mitigation.

The Market Risks borne by Athora Belgium are managed in many ways.

The 'Prudent Person Principle' is the main cornerstone of Athora Belgium investment management process.

One of the main risk mitigation techniques used by Athora Belgium consists in liability driven management of the assets. The asset portfolio is invested and rebalanced according to the asset class and duration weights defined through the Investment Management process and based on the 'Prudent Person Principle'.

Regarding the investment strategy which embeds a combination of long term and shorter-term assets aiming at reaching optimal risk-return of the portfolio, Athora Belgium makes use of hedging strategies to mitigate the market volatility risk arising from the timing differences between assets and liabilities cashflows and maintain its risk profile within its Risk Appetite.

Asset Liability Management and Strategic Asset Allocation activities aim at ensuring that Athora Belgium holds enough and adequate assets in order to reach defined targets and meet liability obligations in both expected and stressed investment conditions. The annual Strategic Assets Allocation proposal:

- ✓ Defines target exposure and limits, in term of minimum and maximum exposure allowed, for each relevant asset class.
- ✓ Embeds the accepted tolerance levels on Assets Liabilities Management mismatches, as well as potential mitigation actions that can be activated within the investment portfolio.

In addition to risk tolerance limits set on Athora Belgium solvency position defined within the Risk Appetite Framework, the current risk monitoring process of Athora Belgium is also integrated in line with Athora Group standards.

The Athora Risk Policies include general principles, quantitative risk limits (with a strong focus on ALM, including Use of Derivatives, credit and market concentration risks and liquidity risk), authorisation processes and prohibitions.

Athora Belgium also implemented Market Risk mitigation techniques, combining both strategies that focus on Capital Management and on Risk Mitigation.

C.3. Credit risk

C.3.1. Risk Exposure and Assessment

As a Life insurer, Athora Belgium collects premiums from policyholders in exchange of payment promises contingent on pre-determined events.

Athora Belgium invests the collected premiums in a wide variety of financial assets, with the purpose of honouring future promises to policyholders and generating value for its shareholders.

Some of these financial investments are subject to the following Credit Risks:

- ✓ Invested assets do not perform as expected because of perceived or actual deterioration of the credit worthiness of the issue.
- ✓ Derivative or reinsurance contracts do not perform as expected because of perceived or actual deterioration of the credit worthiness of the counterparty.

Athora Belgium manages its investments in accordance with the limits defined in the Risk Appetite and strives to optimise the return of its assets while minimising the negative impact of short-term market fluctuations on its solvency. Nevertheless, in Traditional Life Business, for example, Athora Belgium assumes considerable Credit Risk when it guarantees policyholders with a minimum return on the accumulated capital over a long period of time. If during the contractual period the return generated by the financial investment is below the guaranteed return for a prolonged period of time, Athora Belgium shall compensate itself the contractual guarantees. In addition, independently of their realisation, Athora Belgium has to ensure that the value of the financial investments backing the insurance contracts do not fall below the value of its obligations.

In the case of Unit Linked business Athora Belgium typically invests the premiums collected in financial instruments but does not bear Credit Risk, which is borne by the policyholders. However, Athora Belgium is exposed with respect to its earnings: fees are the main source of profits for Athora Belgium, and they are directly linked to the performance of the underlying assets, therefore adverse developments directly affect the profitability of Athora Belgium, when contract fees become insufficient to cover costs.

Under the Standard Formula perspective, the Credit Risks are only related to Counterparty Default Risk as Spread Risk is captured within the Market Risk module.

The Counterparty Default Risk is defined as the risk of incurring losses because of the inability of a counterparty to honour its financial obligations. Distinct modelling approaches have been implemented to model default risk in the bond portfolio (referred to as Credit Default Risk) and the default risk arising from the default of counterparties in cash deposits, risk mitigation contracts (including reinsurance and derivatives), mortgages, and other type of exposures subject to credit risk (referred to as Counterparty Default Risk).

In order to ensure that the level of Credit Risks deriving from the invested assets are aligned to the company's risk appetite and to the business run by Athora Belgium and to the obligations taken with the policyholders, the investment activity is performed in a sound and prudent manner in accordance with the 'Prudent Person Principle' set out in Article 132 of Directive 2009/138/EC (solvency II directive), as defined in the Investment Governance and Oversight, that was approved by Athora Belgium Board of Directors.

The practical implementation of the 'Prudent Person Principle' is applied independently of the fact that assets are subject to Market Risks, Credit Risks or both, so the same principles and processes described in section C.2 applies also to the optimization of the portfolio allocation with respect to Credit Risks.

Common risk measurement methodologies (both qualitative and quantitative) are applied in order to provide an integrated measurement of the risks borne by Athora Belgium. For the evaluation of its Credit Risks, Athora Belgium makes use of the EIOPA Standard Formula, as ruled by the Solvency II Directive, complemented by additional measurement techniques deemed appropriate and proportionate.

Quantitative information about Athora Belgium Solvency requirement for Credit Risk can be found in section E of this report.

Credit Risk concentration is explicitly modelled by the Standard Formula. Based on the results of the model and on the composition of the balance sheet, Athora Belgium has low material risk concentrations.

C.3.2. Risk Management and Mitigation

The Credit Risks borne by Athora Belgium are managed in many concurrent ways. One of the main risk mitigation techniques used by Athora Belgium consists in a sound Assets & Liabilities Management process, fully embedded in the decision-making process of the Company and a well-diversified investment portfolio. The aim is not just to eliminate the risk but to define an optimal risk-return profile satisfying the return target and the Risk Appetite of Athora Belgium over the Integrated Management Plan horizon.

In terms of Risk Management, Athora Belgium has put in place a sound risk assessment, monitoring and reporting process aiming at maximizing the return of the investments while keeping the Credit Risk exposure within the limits of the Risk Appetite.

C.4. Liquidity risk

C.4.1. Risk Exposure and Assessment

Liquidity Risk is defined as the uncertainty, emanating from business operations, investment or financing activities, over the ability of the insurer to meet payment obligations in a full and timely manner, in a current or stressed environment. This could include meeting commitments at a time where conditions on the credit market are unfavourable or through the sale of financial assets incurring in additional costs due to illiquidity of (or difficulties in liquidating) the assets. The identification of the Liquidity sources addresses the size and time distribution of both cash inflows and cash outflows as well as the marketability of assets, identifying any potential Liquidity mismatch.

Athora Belgium is exposed to Liquidity Risk as a result of insurance operating activity, depending on the cash-flow profile of the expected new business, due to the potential mismatches between the cash inflows and the cash outflows deriving from its operations. Liquidity Risk can additionally stem from investing activity, due to potential liquidity gaps deriving from the management of Athora Belgium assets portfolio as well as from a potentially insufficient level of liquidity (i.e. capacity of being sold at a fair price in adequate amounts and within a reasonable timeframe) in case of disposal. Finally, Athora Belgium can be exposed to liquidity outflows related to issued guarantees, commitments, derivative contract margin calls, or regulatory constraints regarding Insurance Provisions Coverage Ratio and capital position.

Athora Belgium has defined a set of Liquidity Risk Metrics that are used to regularly monitor the liquidity situation. All such metrics are forward-looking, i.e. they are calculated at a future date based on projections of cash-flows, assets and liabilities and an estimation of the level of liquidity of the asset portfolio. These metrics are evaluated and monitored on a monthly basis however they are reported quarterly to the Audit and Risk Committee.

Athora Belgium results in the above-mentioned Liquidity Risk Metrics are evaluated adequate and above the established minimum thresholds, also under severe stress scenario. This shows that Athora Belgium is able to face its requirements in the base scenario but also under projected stress scenarios.

Material Liquidity Risk concentrations could arise from large exposures to individual counterparties or groups. In fact, in case of default or other liquidity issue of a counterparty towards which a significant risk concentration exists, this may negatively affect the value or the liquidity of Athora Belgium investment portfolio and hence its ability to promptly raise cash by selling the portfolio on the market in case of need. Athora has set investment limits that enable Athora Belgium to limit risk concentrations taking into consideration a number of dimensions, including, among others, asset class, counterparty, credit rating, geography or sectors.

C.4.2. Risk Management and Mitigation

Athora Belgium manages and mitigates Liquidity Risk in consistency with the framework set in the Group Liquidity Risk Policy and in the Athora Belgium Liquidity Risk Guidelines. Athora Belgium aims at ensuring the capacity to meet its commitments also in case of adverse scenarios, while achieving its profitability and growth objectives. The Liquidity Risk Monitoring from short-, mid- and long-term perspective, relying also on the use of stress scenarios, allows the Company to operate within a well-defined and controlled Liquidity Risk framework. Regarding its investment strategy and the use of derivative products, a strong focus was put by the Executive Committee as well as by Athora Belgium Board of Directors to assure a sound Liquidity Risk Management process to be in force and constantly monitored.

Also, specific escalation process is set in case of limits breach or other liquidity issues, as well as a liquidity contingency plan, identifying means to generate short-term liquidity sources in case of need.

The principles for Liquidity Risk Management designed in the Group Risk Appetite Framework are fully embedded in the Strategic Planning as well as in business processes including investments and product development.

C.4.3. Expected profit included in future premiums

The Expected Profit Included in Future Premiums (EPIFP) represents the present value of expected future cashflows which result from the inclusion in Technical Provisions of future premiums relating to existing insurance and reinsurance contracts. These are expected to be received in the future, but that may not be received for any reason, other than because the insured event has occurred, due to the legal or contractual rights of the policyholder to discontinue the policy.

The amount of Expected Profit Included in Future Premiums for the Life business written by Athora Belgium has been calculated in accordance with article 260(2) of the Delegated Acts.

C.5. Operational risk

C.5.1. Operational risk framework

Policies and Procedures

The Operational Risk Framework adopted by Athora Belgium complies with internal policies - i.e. Operational Risk Policy, internal procedures - and regulatory requirements. This Framework aims at ensuring that Athora Belgium maintains a prudent operational risk profile in line with board, management, and regulatory expectations under both normal business conditions and under extreme conditions caused by unforeseen events.

Operational Risk Definition and Universe

Athora defines Operational Risk as “the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.” In line with the industry practices, this definition applies to the following risk universe adopted by Athora Belgium: Reporting Risk, Model Risk, People Risk, Operational Resilience, Business Process, Information Security Risk, Data Risk, Third Party Risk and Change Risk.

Operational Risk Appetite

For each of these risks, a qualitative risk appetite statement and quantitative risk appetite that sets out Athora Belgium risk-taking capacity is defined in the Risk Appetite framework. .

Operational Risk Governance

At Athora Belgium, the three lines of defence model applies to Operational Risks Management. In this context:

- ✓ The first line of defence is responsible and accountable of its risks. Amongst others, the first line (1) identifies, assess, and manages operational risks, (2) ensures adherence to the qualitative operational risk appetite statements while remaining within operational risk appetite limits, (3) prepares and implements appropriate mitigation action plans for any breach of risk appetite or limits.
- ✓ The second line of defence is responsible for the deployment and implementation of the operational risk framework. Amongst others, the second line supports, guides, and challenges the first line to properly identify, measure, and manage operational risks.

C.5.2. Operational Risk Lifecycle

Athora Belgium Operational Risk Management practices include the identification, deployment, and monitoring of:

- ✓ The Risk Event Management includes Loss Data Collection the process of collection of risk event identification, analysis and mitigation and collection of losses suffered as result of the occurrence of any operational Risk events including potential events, actual risk events, near misses and breaches of policy or regulation.
- ✓ The Operational Risk Scenario Analysis which are assessed as part of the Own Risk and Solvency Assessment processes (ORSA).
- ✓ The Key Risk Indicators, which are metrics, developed by risk owners and used to monitor key risk exposure.
- ✓ The Risk and Controls Self-Assessment which allows in-depth review of all processes that are included in Internal Control scope. Processes in scope will be reviewed, and underlying risks and controls will be identified and assessed by the first Line of Defence. The risk assessment process considers two dimensions:

Impact severity and likelihood. The combination of an assessment of both the potential impact and likelihood will position a risk on a matrix to define the status of the risk and whether any further treatment of that risk is required based the rating. Key controls fiches will be updated or designed when required, to cover key risks appropriately.

- ✓ The Overall Risk Assessment which provides forward-looking and transversal view on risks that may affect Athora Belgium the most for the coming year. The output of this exercise (1) influences business planning and strategy, (2) enable proper risk oversight by the Board and (3) aims at supporting Senior Management in their risk-oriented decision making. This exercise allows Risk Owners to define proper actions to bring the risks within the defined risk tolerance.

Operational Risk Mitigation and Reporting

Through the risk management system and processes the first line of defence and/or the second line of defence (i.e. Risk Management Function) may identify issues that may influence the residual risk assessment. These are logged and, where appropriate, actions are agreed to mitigate identified deficiencies. Action plans are followed up in the context of the Advisory Committee Governance in place and an action plans' status is provided as part of the quarterly reporting.

In addition to action plans, quarterly reporting includes an up-to-date assessment of Athora Belgium exposure to operational risks. This assessment is discussed with the adequate Sub-Advisory Committees, Risk and Management Committee, Audit and Risk Committee and reported to Group Risk.

C.6. Other material risks

Emerging risks are the risks related to potential changes in the internal and external environment Athora Belgium evolves in, and that could lead to an increase in Athora Belgium exposure to other risks mentioned before. Since these risks are not fully understood – because they never occurred before, the impacts are not easily quantifiable.

For Athora Belgium, those risks are assessed (identification and measurement) during the Main Risk Self-Assessment (identifies risk which may potentially challenge the strategic planning results achievements) process for the identification of the most significant risks Athora Belgium is exposed to. These risks are then monitored on a continuous basis.

Sustainability risk covers the environmental, social or governance events or conditions that, if they occur, could cause an actual or a potential material negative impact on the value of the investment held by the Company.

The sustainability risk is managed within Athora in accordance with the ESG policy (Environmental, Social and Governance policy) and in line with the SFDR framework (Sustainable Finance Disclosure Regulation). Among others, this risk is assessed through allocating and monitoring "ESG scores" to the different types of investments within the Company's investment portfolio as well as through specific climate change stress-testing as part of the ORSA framework of the Company.

The **reputational risk** is defined as a potential decrease in Athora Belgium value or a deterioration of its risk profile because of a deterioration of its reputation or a negative perception of its image by its stakeholders. It is the current or foreseen risk of decrease in Athora Belgium revenues or capital if the consumers, shareholders, investors, supervisory authorities or other counterparties would adopt a negative view on Athora Belgium activities.

There are two potential impacts: the direct impact (the stakeholders are directly affected by the occurrence of the event) and the indirect impact (modification of the perception of Athora Belgium by its stakeholders after the occurrence of the event).

At Athora Belgium, the reputational risk is managed through both proactive and reactive approaches.

The **proactive management** of the reputational risk is the continuous management of the relationship with the stakeholders, independently from the occurrence of particular events, in order to build a certain level of reputation.

The **reactive management** is the way Athora Belgium is organised to evaluate and monitor its exposure to the reputational risk, and to give an adequate response to the risk after the occurrence of an event.

C.7. Any other information

To test Athora Belgium solvency position resilience to adverse market conditions or shocks a set of sensitivities and scenario analyses are performed on a quarterly basis. These are defined considering unexpected, potentially severe, but plausible events. The outcome, in terms of impact on financial and capital position, prepares Athora Belgium to take appropriate management actions if such events were to materialize.

The risk sensitivity analysis which is done on a quarterly basis considers simple changes in specific risk drivers (e.g. Interest Rates, equity shock, credit spreads, credit shocks). Their main purpose is to measure the variability of the Own Funds and Solvency Ratio to variations in specific risk factors. The set chosen aims to provide the assessment of resilience to the most significant risks.

In order to verify the adequacy of solvency capital position to the changing of the market conditions, the following main risk sensitivities analyses have been performed:

- ✓ Interest Rates shocks
- ✓ Spread widening/tightening shocks
- ✓ Default and migration shocks
- ✓ Mass lapse and expense shocks

Several scenarios (analysis) are applied quarterly:

- ✓ Multi-risk: Multi risk scenarios are combined scenarios including all material risks (decrease of spreads on corporate bonds & loans, increase of risk-free rate, decrease in equities and property, increase in lapses and expenses).
- ✓ Historical scenarios:
    - “Lehman Crisis”: The 2008-09 Lehman Crisis scenario is focused on severe corporate spread stresses.
    - “Sovereign Crisis”: The 2011-12 Eurozone Crisis scenario is dominated by severe sovereign spread stresses as well as substantial corporate spread stresses.
    - QE Era: Spreads back to the Average of 2013-2018: driven by a tightening of mortgages spread

- "China Hard Landing": Spreads back to Q1 2016 China hard landing level.
- Historical Minimum: Spreads set to the historical minimum level mainly driven by a large tightening of the mortgages and private debt spread.
- Forward-looking scenario: This scenario is a calibration based on a mix of historical observation and expert judgment on adverse future developments.

This quarterly stress-testing framework is complemented with specific ad-hoc sensitivities or stress testing exercises that are performed in accordance with the evolution of the macro-economic environment as well as with additional scenarios analyses performed within the ORSA framework to assess the sensitivity of the strategic objectives laid down in the Integrated Management Plan to the variation of different internal or external factors.

D. Valuation for Solvency Purpose

Regarding Assets and Other liabilities, it is worthwhile mentioning that the general framework is based on the SII regulatory framework that standardises valuations and measurements of Market Value Balance Sheet assets and liabilities, largely referring to and in conformity with IFRS principles.

In order to define the Market Value Balance Sheet, all assets and liabilities on the balance sheet must be stated at fair value.

According to the Commission delegated regulation insurance and reinsurance undertakings shall value assets, unless otherwise clearly stated in the regulation, in conformity with:

- ✓ International accounting standards adopted by the Commission in accordance.
- ✓ If those standards allow for the use of more than one valuation method, insurance and reinsurance undertakings shall only use valuation methods that are consistent the above-mentioned regulation.
- ✓ Other valuation methods that are deemed to be consistent this regulation.

D.1. Assets

In the Technical Specification, it is clearly indicated the fair value hierarchy to be adopted in valuating assets and other liabilities than technical provision. On this basis, the undertaking applied the following hierarchy of high-level principles for valuation of assets and liabilities:

- ✓ Use of quoted market prices in active markets for the assets and liability (Level 1).
- ✓ Where the use of quoted market prices for the assets or liability is not possible, use of quoted market prices in active markets for similar assets or liability with adjustments to reflect differences (level 2).
- ✓ If there are no quoted market prices in active markets available, use of mark-to-model techniques. Those alternative valuation techniques have to be benchmarked, extrapolated or otherwise calculated as far as possible from a market input (level 3).
- ✓ Maximum use of relevant observable inputs and market inputs is recommended, while use of undertaking-specific inputs and unobservable inputs should be minimized.
- ✓ Valuing liabilities at IFRS fair value, the adjustment to take account of the own credit standing as required by IFRS 13 Fair Value Measurement has to be eliminated. In addition, when valuing financial liabilities subsequently after initial recognition, the adjustment to take account of the own credit standing as required by IFRS 13 Fair Value Measurement and as defined by IFRS 7 Financial Instruments: Disclosures, has to be eliminated.

Despite the valuation principles, specific balance sheet items have to be treated differently form relevant IFRS principle or valuation methods. Regulation states the exclusion of specific valuation methods such as historic cost or amortised cost and models where value is determined at the lower of the carrying amount and fair value less costs to sell.

Solvency II Specificities

The regulation specifies the treatment of the assets listed below, for which a valuation different from IFRS measurement is required:

- ✓ Goodwill and intangible assets.

- Related undertakings (or participations).
- Deferred taxes.

Goodwill and intangible assets shall value at zero. Goodwill, deferred acquisition costs and intangible assets other than goodwill, unless the intangible asset can be sold separately, and the insurance and reinsurance undertaking can demonstrate that there is a quoted market price for the same or similar assets.

Related undertakings (or participations) are constituted by share ownership or by the full use of a dominant or significant influence over another undertaking. In this respect the IFRS concept of control and significant influence applies and as a result holding are not limited to equity instruments.

The regulation provides a hierarchy that shall be used to value holdings in related undertakings for Solvency purposes:

- Quoted market price,
- Adjusted equity method (if no active market),
- IFRS equity method (if non-insurance),
- Alternative techniques (if associates or joint controlled entities).

Measurement principles in IAS 27, IAS 28 and IAS 31 do not apply for the Solvency balance sheet, since they do not reflect the economic valuation required by Solvency II Directive.

An important feature of participation is its strategic nature. It is worthwhile to underline the fact that the Athora Belgium approach is to consider all participations as strategic.

Deferred tax assets, Solvency II regulatory framework states that in the Market Value Balance Sheet deferred tax assets, representing the amounts of income taxes recoverable in future periods, shall be recognized in respect of:

- Deductible temporary differences (A temporary difference is a difference between the carrying amount of an asset or liability in the balance sheet and its tax base).
- The carry-forward of unused tax losses; and
- The carry-forward of unused tax credits.

and determined based on the difference between the values ascribed to assets and liabilities and the values ascribed to assets and liabilities as recognized and valued for tax purposes.

IAS 12 provides that the enterprise shall recognize a deferred tax asset with respect to the carry forward of unused tax losses and tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. In evaluating the probability that future taxable profits will be realized against which unused tax losses and unused tax credits can be utilized.

While a Deferred Tax Liabilities can be recognised in the balance sheet without further justification, the recognition of a Deferred Tax Assets is subject to a recoverability test.

The template focuses on the differences between Market Value Balance Sheet and Statutory accounts figures.

€ in thousands	Solvency II value (a)	Statutory accounts value (b)	Change to Solvency II value (a-b)	Notes
Intangible assets	0	116.444	-116.444	For Solvency II purposes, only intangible asset that can be sold separately should be recognized in MVBS
Deferred tax assets	77.805	0	77.805	Solvency II Deferred Tax assets are based on the difference between the Solvency II value of assets and liabilities and the value for tax purposes on an item-by-item basis limited to recoverability.
Property, plant & equipment held for own use	1.931	1.345	586	For Solvency II the leasing is evaluated at market value in the same way as the application of IFRS 16
Holdings in related undertakings, including participations	2.811	1.559	1.252	Change to Solvency II value due to the different accounting approach: IFRS participations value principles are not recognized for Solvency II purposes
Equities – listed	107	67	40	Change to Solvency II value due to the different accounting approach: Equities are recognized at amortized cost for statutory accounts, while Solvency II value recognized at IFRS fair value.
Equities – unlisted	0	0	0	
Government Bonds	3.097.410	3.199.759	-102.349	Change to Solvency II value due to the different accounting approach: Bonds and similar product are recognized at amortized cost for statutory accounts, while Solvency II value recognized at IFRS fair value including accrued interest.
Corporate Bonds	217.031	212.237	4.794	
Structured notes	340.038	400.513	-60.475	
Collateralised Securities	13.582	15.808	-2.226	
Collective Investments	2.948.422	2.948.393	29	
Derivatives	118.841	12.082	102.759	Change to Solvency II value due to the different accounting approach: Derivatives are recognized at amortized cost for statutory accounts, while Solvency II value recognized at IFRS fair value.
Deposits other than cash	0	0	0	No change
Assets held for index-linked and unit-linked contracts	2.138.119	2.138.119	0	
Loans on policies	92.664	100.027	-7.363	Loans are recognized at amortized cost for statutory accounting, while solvency II value recognised at market value for non-intra-group
Loans and mortgages, and other loans	261.050	247.606	13.044	
Deposits to cedant	0	0	0	No change
Insurance and intermediaries' receivables	40.018	40.018	0	
Reinsurance receivables	7.566	7.566	0	
Receivables (trade, not insurance)	136.664	136.664	0	
Cash and cash equivalents	107.718	107.711	7	Currency rate's
Any other assets, not elsewhere shown	2.375	117.475	-115.100	Residual class of asset items included prepaid interests, deferrals and other accrued income

D.2. Technical provision

Athora applies the Volatility Adjustment (VA) for the calculation of the Best Estimate Liabilities (BEL). The BEL gross is higher than the BEL net as Reinsurance is a deduction from the Technical Provisions (TP). For the Risk Margin (RM), Athora Belgium has used the basic risk-free rates curves as required by the Solvency II regulation.

The table shows the main components of the TP Life.

(€ Thousand)	
Best Estimate Liabilities gross of reinsurance	8.716.248
Recoverable from reinsurance	(1.751.414)
Best Estimate Liabilities net of reinsurance	6.964.834
Risk Margin	86.660
Technical Provisions net	7.052.331

Note that, in accordance with the regulation, the SCR used in the RM calculation per YE24 was obtained without usage of the Volatility Adjustment. The table below shows the split of the Solvency II Life TP by Lines of Business (LoB).

(€ Thousand)	TP net of reins.	Weight
TOTAL	7.051.494	100,00%
Life other than index-linked and unit-linked	4.946.053	70,14%
Index-linked and unit-linked	2.097.490	29,75%
Health	7.950	0,11%
TOTAL	7.051.494	100,00%
Insurance with profit participation	4.710.804	66,81%
UL - Contracts without options and guarantees	15.163	0,22%
UL - Contracts with options and guarantees	2.082.327	29,53%
Other - Contracts without options and guarantees	0	0,00%
Other - Contracts with options and guarantees	175.289	2,49%
Annuities stemming from non-life obligations	0	0,00%
Accepted reinsurance with profit participation	0	0,00%
Accepted reinsurance UL contracts	0	0,00%
Accepted reinsurance other contract	59.960	0,85%
Accepted reinsurance annuities stemming from non-life obligations	0	0,00%
SLT HEALTH - with options and guarantees	7.950	0,11%
SLT HEALTH - without options and guarantees	0	0,00%
SLT HEALTH - Annuities stemming from non-life obligations	0	0,00%
SLT HEALTH – Accepted	0	0,00%

The following table compares figures from statutory (BeGaap) and Solvency II Technical Provisions (gross of reinsurance).

(€ Thousand)	Statutory Reserves	Solvency II	Delta
TOTAL	9.019.507	8.802.908	216.599
Life other than index-linked and unit linked	6.869.310	6.697.468	171.841
Index-linked and unit linked	2.138.119	2.097.490	40.629
Health	12.079	7.950	4.128

In the economic assumptions, the usual financial drivers are important for the evolution of technical provisions: risk-free rate curve, implied volatilities, spreads, and inflation levels principally.

Athora Belgium manages this volatility in a proactive manner to ensure protection of Own Funds:

- **Interest Rates:**
  - The risk of a non-parallel deformation of the interest rate curve, for example a flattening of the curves is closely monitored. The risk is quantified by the sensitivity of both assets and liabilities cash-flows to interest rate for each bucket of maturity (the DV01 for each maturity bucket).
- **Spread Risk**
  - Athora Belgium measures its exposure to sovereign spread risk (relative to EIOPA risk-free rates term structures) by calculating the CS01[3] for each sovereign.
  - Due to the exposure to the VA reference portfolio, Athora Belgium is exposed to the CS01.
  - Athora aims to maintain its exposure to non-core European CS01 within the limits define in its risk appetite.

The main operating assumptions are related to mortality, lapse, and expense calibrations. Profit sharing hypotheses are also material and are discussed separately (see relevant section).

The valuation of the best estimate of liabilities has been performed using the volatility adjustment provided by EIOPA for EURO currency.

A change to zero of the volatility adjustments would correspond to an increase of € 98.186 thousand in the Life Technical Provisions of Athora Belgium.

The matching adjustment, the transitional measure on the risk-free interest rate-term structure and the transitional measure on technical provisions have not been used.

D.3. Other liabilities

Solvency regulation anticipates that there are cases where IFRS valuation methods are not consistent with them.

Valuation methods excluded are valuation at cost or amortized cost and models where value is determined at the lower of the carrying amount and fair value less costs to sell.

Liabilities listed below, for which a valuation different from IFRS measurement is required:

- Technical liabilities.
- Contingent liabilities not applicable for Athora Belgium.
- Financial liabilities not applicable for Athora Belgium.
- Deferred taxes.

Except for technical liabilities (see D.2. Technical provisions), all the remaining 3 points are analysed below.

Deferred taxes recognised on liability side follows the same assumptions of deferred taxes recognized on assets side. Consequently, the same considerations provided in D.1. Assets can be applied.

Provision other than technical is regulating provision under IAS 37 and it is deemed to be compliant with solvency II regulation for this reason, there are no differences on this item between IFRS statutory account and MVBS value being the valuation models adopted the same in both scenarios.

[3] The CS01 of the assets (respectively of the liabilities) is the change in the present value of the cash flows of the assets (respectively of the liabilities) for a 1bp change in the credit spread.

Employee Benefit Liabilities related to staff pension scheme are entirely classified as a liability.

The valuation method adopted called projected unit credit method is based on an actuarial approach with regards to:

- ✓ Estimation of the benefit that employees will earn in return for their service, valued at the moment in which it will fall due.
- ✓ Identification of the part of the benefit evaluated above, related to current and prior periods.
- ✓ Determination of the present value of that part of the benefit identified in b., split into current service cost and benefit obligation.

The template focuses on the differences between Market Value Balance Sheet and Statutory accounts figures.

(€ Thousand)	Solvency II value (a)	Statutory accounts value (b)	Change to Solvency II value (a-b)	Notes
Provisions other than technical provisions	8.126	53.691	-45.566	The difference comes from IAS 19 and provision for future use
Pension benefit obligations	51.703	0	51.703	The difference comes from IAS 19 and IFRS 4
Deposits from reinsurers	48.510	48.510	0	It is expected that amortized cost could be equal to the Solvency II value due to short outstanding duration and to the absence of expected interest cash-flows.
Deferred tax liabilities	0	0	0	Solvency II Deferred Tax Liabilities are based on the difference between the Solvency II value of assets and liabilities and the value for tax purposes on an item-by-item basis.
Derivatives	141.971	56.147	85.824	The difference comes from the market value of the derivatives used as hedge accounting and accrual reclassification
Debts owed to credit institutions	1.550.620	1.538.738	11.882	The difference concerns the accrual on REPO
Insurance & intermediaries payables	42.585	42.585	0	No change
Reinsurance payables	11.096	11.096	0	
Payables (trade, not insurance)	82.989	82.989	0	
Subordinated liabilities in Basic Own Funds	91.128	90.000	1.128	Accrued interest reclassification
Any other liabilities, not elsewhere shown	18.536	35.755	-17.219	Residual class of liability items included mainly accruals and deferrals. The change concerns the accrued interest reclassification and derivatives

D.4. Alternative method for valuation

Assets, in respect of the Solvency II valuation, there are no significant changes to valuation models used and to model inputs. In general terms, it has to be noticed that the vast majority of assets portfolio owned by Athora Belgium is recognized at IFRS fair value determined centrally by the Group in application of the official group asset pricing policy.

Despite the general framework for assets valuation, it has worthwhile to mention one area for which dedicated Solvency II valuations, partially diverting from the policies above described, are provided:

As general supposition, it is accepted to assume as Solvency II value of receivables an amount equals to the IFRS book value of receivables, based on the IFRS amortised cost. This approach is coherent with the overall Solvency II metrics considering the non-materiality of the change to fair value of those assets usually having very brief duration and maturity and no expected cash-flows generation. It is worthwhile to mention that if the simplified assumption is not reflecting properly the economic valuation of receivables, this approach is not adopted, and a full Solvency II economic valuation is provided to determine the fair value of receivables.

Liabilities, in respect of the previous official Solvency II data submission, at reporting date there are no any significant changes to valuation models used and to model inputs.

Despite the general framework for liabilities valuation, it is worthwhile to mention that it is accepted to assume as Solvency II value of payables an amount equal to the IFRS book value of payables, based on the IFRS amortised cost. This approach is coherent with the overall Solvency II metrics considering the non-materiality of the change to fair value of those liabilities usually having very brief duration and maturity and no expected cash-flows generation. It is worthwhile to mention that if the simplified assumption is not reflecting properly the economic valuation of payables, this approach is not adopted, and a full Solvency II economic valuation is provided to determine the fair value of payables.

D.5. Any other information

Athora Belgium has no other information to disclose.

E. Capital Management

E.1. Own funds

Planning and managing Own Funds is a core part of the Chief Financial Officer's and Balance Sheet Management team's responsibilities. The Capital Management Policy refers to capital planning as well as structuring procedures to implement capital injections and optimisation.

The Capital Management Plan represents a part of overall three-year Strategic Plan and includes a detailed description of the development of Own Funds and Regulatory Solvency Ratio from the latest available actual figures to the last plan year figures.

The Capital Management Plan is defined taking into account limits and tolerances set in the Risk Appetite Framework.

E.1.1. Basic Own Funds

(€ thousand)	Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
Ordinary share capital (gross of own shares)	300.100	300.100		0	
Share premium account related to ordinary share capital	18.773	18.773		0	
Surplus funds	45.000	45.000			
Reconciliation reserve	60.507	60.507			
Subordinated liabilities	91.128		91.128	0	0
An amount equal to the value of net deferred tax assets	77.805				77.805
Total basic own funds after deductions	**593.314**	**424.380**	**91.128**	**0**	**77.805**

The components of the excess of assets over liabilities are valued in accordance solvency II regulation, which states that all assets and liabilities must be measured on market consistent principles. These principles are reported in chapter D Valuation for Solvency Purposes.

The different own funds items shall be classified into Tiers considering if they possess specific characteristics according to the following scheme:

	permanent availability to cover losses	subordination of the holder	sufficient duration	absence of incentive to redeem	absence of mandatory servicing costs	absence of encumbrances
Tier 1	X	X	X	X	X	X
Tier 2		X	X	X	X	X
Tier 3				**Residual**		

List of TIER 1 Basic Own Fund, assuming they substantially possess the Tier 1 characteristics:

- ✓ the part of excess of assets over liabilities comprising the following items:
  - Paid-in ordinary share capital and the related share premium account.
  - Paid-in initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings.
  - Paid-in subordinated mutual member accounts.
  - Surplus funds that are not considered insurance and reinsurance liabilities.

  - Paid-in preference shares and the related share premium account.
  - Reconciliation reserve.
- ✓ Paid-in subordinated liabilities when they possess Tier 1 features.

List of TIER 2 Basic Own Fund items:

- ✓ The part excess of assets over liabilities, comprising the following items:
  - Ordinary share capital and the related share premium account.
  - Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings.
  - Subordinated mutual member accounts.
  - Preference shares and the related share premium account.
- ✓ Subordinated liabilities.

TIER 3 Basic Own Fund represents the residual category of own funds. After having detected if own funds items do not possess the feature to be classified into Tier 1 or Tier 2, the own fund item shall be classified in Tier 3.

E.1.2. Ancillary Own Funds

(€ thousand)	Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
Other ancillary own funds	170.000	0	0	170.000	0
Total ancillary own funds	170.000	0	0	170.000	0

Athora Belgium have received from the National Bank of Belgium the agreement to use ancillary own fund for an amount of 170.000 thousand. This amount has been increased in June 2024 by 50.000 thousand and approved by the National Bank of Belgium.

E.1.3. Amount and quality of Eligible Own Funds

Eligible Own Funds to meet Solvency Capital Requirement, In the tables below, Athora Belgium is reporting the split by tiering:

Eligible Own funds by tiering

(€ thousand)	Total eligible own funds to meet the SCR	Tier 1 – unrestricted	Tier 1 - restricted	Tier 2	Tier 3
Current Year	709.738	424.380	91.128	170.000	24.230
Previous Year	612.733	395.046	40.006	120.000	57.681
Change	97.005	29.334	51.122	50.000	(33.451)

The final step is related to Eligible Own Funds, after eligibility constraints.

Solvency Ratio

(€ thousand)	Current year	Previous year
Own Funds	709.738	612.733
Solvency Capital Requirement	388.459	384.540
Solvency Ratio	182,7%	159,3%

In the table is include the **reconciliation between Statutory Shareholder funds and Own Funds for solvency purposes**

€ thousand	Current Year	Previous Year
Excess of assets over liabilities Statutory	556.604	336.381
· (-) Elimination of intangibles:	*-116.444*	*-142.631*
a) Goodwill	-116.440	-134.354
b) Deferred acquisition costs	0	0
c) Other intangible assets (include mainly value of business acquired and software)	-4	-8.277
· (+)/(-) Mark to market of assets:	*-144.626*	*345.562*
a) Properties (includes own used real estate)	586	226
b) Bonds	-160.256	-90.944
c) Loans & Receivables	6.081	-4.492
d) Participations	1.252	1.178
e) Equities	40	7.960
f) Other assets	7.672	431.633
· (+)/(-) SII valuation of Technical Provisions	*216.599*	*451.463*
· (+)/(-) Mark to market of non-technical liabilities:	*-87.753*	*-595.728*
a) Financial and other liabilities (does not include change in own credit standing)	-11.882	-9.316
b) Employee benefit	-51.703	-49.182
c) Other liabilities	-24.168	-537.230
· (+)/(-) Deferred taxes (please refer to IAS 12)	*77.805*	*62.365*
Excess of assets over liabilities Solvency II	502.185	457.412

Eligible Own Funds to meet the Minimum Capital Requirement, In the tables below, Athora Belgium is reporting the split by tiering:

Eligible Own funds by tiering

(€ thousand)	Total eligible own funds to meet the MCR	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2
Current Year	515.508	424.380	91.128	0
Previous Year	435.052	395.046	40.006	0
Change	80.456	29.334	51.122	0

E.2. Solvency Capital Requirement and Minimum Capital Requirement

E.2.1. Solvency Capital Requirement and Minimum Capital Requirement values

Athora Belgium makes use of the Standard Formula with Volatility Adjustment (VA) on the Risk-Free Rate issued by EIOPA for the relevant referring period.

Athora Belgium, as Composite undertaking does not make use of any Transitional Measures. The Company issues its Solvency II results calculated according to the Standard Formula without use of any Undertaking Specific Parameters.

The Solvency Capital Requirement and the Minimum Capital Requirement figures presented here below relate to Athora Belgium Standard Formula results (with volatility adjustment) as at 31st of December 2024 and as at 31st of December 2023:

SCR Values

(€ thousands)	SCR Values	MCR Values
Current Year	388.459	174.807
Previous Year	384.540	173.043

Thanks to its sound risk management system, the risk identification and measurement was deemed as sufficiently complete and accurate to exclude any capital add-on to the Solvency Capital Requirement based on the EIOPA Standard Formula Risk Map.

The overall risk profile of the company decreased from 2023 to 2024, this decrease of the Solvency Capital Requirement and Minimum Capital Requirement compared to previous year arises from:

- ✓ The decrease of Life underwriting risk mainly driven by (1) a reduction in mass lapse risk, and (2) an increase in expense risk mainly driven by updated expense assumptions.
- ✓ Health underwriting risk saw a minor decrease aligned with the evolution of BEGAAP reserves for the Verdi portfolio, while operational risk remained nearly stable
- ✓ Additionally, the Loss-Absorbing Capacity of Deferred Taxes improved significantly, providing a substantial SCR reduction

E.2.2. Solvency Capital Requirement breakdown

The total Solvency Capital Requirement splits by Risk before and after diversification at Year End 2023 and at Year End 2024 is given here below.

The table below shows the Standard Formula modules before and after diversification with each other. The diversification effect is calculated according to the EIOPA Standard Formula correlation tables and equals 104.734 thousand euro or 27% of the total Solvency Capital Requirement after diversification. The table also shows the contribution of each risk (module) to the Solvency Capital Requirement and thus to the overall Solvency position.

Market risk is the most significant risk as it includes equity risk which is the largest risk the Company is exposed to within the Market risk module due to its large exposure to private equity and strategic participations with spread risk being the 2nd largest market risk as the Company also has large exposure to fixed income securities (mainly private loans). Overall, the shift to Unit Linked allows for more market risk absorption given the increase in overall business volume and as a larger part of the market risks are borne by the policyholders

Counterparty Default Risk is the third largest contributor to Solvency Capital Requirement and highly depends on the probability of default of the counterparty and collateral in place. In 2024, Athora Belgium decreased its cash exposure leading to a decrease of the Counterparty Default Risk.

Operational Risk is the fourth largest contributor to Solvency Capital Requirement and is defined as a function of the Company's business volume under the Standard Formula. Operational Risk remained nearly stable compared to last year.

Health underwriting risk saw a minor decrease aligned

The total Solvency Capital Requirement split by Risk before and after diversification at Year End 2024 is given here below.

Total SCR split by Risk before and after diversification

(€ thousands)	Before Diversification		After Diversification	
	Total	Impact (%)	Total	Impact (%)
nSCR before Diversification	459.785	118,4%	355.051	91,4%
Market Risks	274.037	70,5%	247.350	63,7%
Counterparty Default Risks	37.410	9,6%	15.068	3,9%
Life Underwriting Risks	145.290	37,4%	91.627	23,6%
Health Underwriting Risks	3.048	0,8%	1.006	0,3%
Non-Life Underwriting Risks	0	0,0%	0	0,0%
Diversification benefit	(104.734)	-27,0%		0,0%
nBSCR after Diversification	355.051	91,4%	355.051	91,4%
Operational Risk	33.408	8,6%	33.408	8,6%
Total SCR before Taxes	388.459	100,0%	388.459	100,0%
Tax absorption	0	0,0%	0	0,0%
Total SCR	388.459	100,0%	388.459	100,0%

E.3. Use of the duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement

Athora Belgium does not use the duration-based equity risk sub-module approach in the calculation of the solvency Capital Requirement.

E.4. Difference between the standard formula and any internal model used

Athora Belgium does not use an internal model and apply only the standard formula as explained in previous chapter.

E.5. Non-compliance with the Minimum Capital Requirement and non-compliance with the Solvency Capital Requirement

Athora Belgium has a sound solvency position, no issues related to the compliance neither with the Minimum Capital Requirements nor with the Solvency Capital Requirement.

E.6. Any other information

The LACDT recoverability tests have been recalculated as at YE20242 in accordance with the NBB_2022_27 circular titled “Circulaire relative à l’impact des impôts différés en Solvabilité II”.

These tests have been performed and carried out as at Q42024 in order to justify the recognition of the Loss Absorbing Capacity of Deferred Taxes for Athora Belgium.

Disclosures

- ✓ S.02.01.02: Balance sheet
- ✓ S.04.05.21: Premiums, claims and expenses by country
  - Athora Belgium does have a non-life portfolio the template is empty
- ✓ S.05.01.02: Premiums, claims and expenses by line of business
  - Athora Belgium does have a non-life portfolio the template is empty
- ✓ S.12.01.02: Life and Health SLT Technical Provisions
- ✓ S.17.01.02: Non-Life Technical Provisions
  - Athora Belgium does have a non-life portfolio the template is empty
- ✓ S.19.01.21: non-Life insurance claims
  - Athora Belgium does have a non-life portfolio the template is empty
- ✓ S.22.01.21: Impact of the long term guarantees and transitional measure
- ✓ S.23.01.01: Own Funds
- ✓ S.25.01.21: Solvency Capital Requirement - for undertakings on Standard Formula
- ✓ S.28.02.01: Minimum capital Requirement - Both life and non-life insurance activity

In the QRTs as disclosed on the following pages, all figures are in EUR thousands (in line with regulation).

S.02.01.02.01: Balance sheet

		Solvency II value
Assets		C0010
Intangible assets	R0030	-
Deferred tax assets	R0040	77.805
Pension benefit surplus	R0050	-
Property, plant & equipment held for own use	R0060	1.931
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	6.734.243
Property (other than for own use)	R0080	-
Holdings in related undertakings, including participations	R0090	2.811
Equities	R0100	107
Equities - listed	R0110	107
Equities - unlisted	R0120	-
Bonds	R0130	3.668.061
Government Bonds	R0140	3.097.410
Corporate Bonds	R0150	217.031
Structured notes	R0160	340.038
Collateralised securities	R0170	13.582
Collective Investments Undertakings	R0180	2.948.422
Derivatives	R0190	114.841
Deposits other than cash equivalents	R0200	-
Other investments	R0210	-
Assets held for index-linked and unit-linked contracts	R0220	2.138.119
Loans and mortgages	R0230	353.714
Loans on policies	R0240	92.664
Loans and mortgages to individuals	R0250	1.270
Other loans and mortgages	R0260	259.780
Reinsurance recoverables from:	R0270	1.751.414
Non-life and health similar to non-life	R0280	-
Non-life excluding health	R0290	-
Health similar to non-life	R0300	-
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	1.751.415
Health similar to life	R0320	-
Life excluding health and index-linked and unit-linked	R0330	1.751.415
Life index-linked and unit-linked	R0340	(1)
Deposits to cedants	R0350	-
Insurance and intermediaries receivables	R0360	40.818
Reinsurance receivables	R0370	7.566
Receivables (trade, not insurance)	R0380	136.654
Own shares (held directly)	R0390	-
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	-
Cash and cash equivalents	R0410	107.718
Any other assets, not elsewhere shown	R0420	2.375
Total assets	R0500	11.352.358

Liabilities		Solvency II value
		C0010
Technical provisions – non-life	R0510	-
Technical provisions – non-life (excluding health)	R0520	-
Technical provisions calculated as a whole	R0530	-
Best Estimate	R0540	-
Risk margin	R0550	-
Technical provisions - health (similar to non-life)	R0560	-
Technical provisions calculated as a whole	R0570	-
Best Estimate	R0580	-
Risk margin	R0590	-
Technical provisions - life (excluding index-linked and unit-linked)	R0600	6.705.419
Technical provisions - health (similar to life)	R0610	7.950
Technical provisions calculated as a whole	R0620	-
Best Estimate	R0630	7.550
Risk margin	R0640	400
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	6.697.468
Technical provisions calculated as a whole	R0660	-
Best Estimate	R0670	6.626.371
Risk margin	R0680	71.097
Technical provisions – index-linked and unit-linked	R0690	2.097.490
Technical provisions calculated as a whole	R0700	-
Best Estimate	R0710	2.082.327
Risk margin	R0720	15.163
Contingent liabilities	R0740	-
Provisions other than technical provisions	R0750	8.126
Pension benefit obligations	R0760	51.703
Deposits from reinsurers	R0770	48.510
Deferred tax liabilities	R0780	-
Derivatives	R0790	141.971
Debts owed to credit institutions	R0800	1.549.995
Financial liabilities other than debts owed to credit institutions	R0810	625
Insurance & intermediaries payables	R0820	42.585
Reinsurance payables	R0830	11.096
Payables (trade, not insurance)	R0840	82.989
Subordinated liabilities	R0850	91.128
Subordinated liabilities not in Basic Own Funds	R0860	-
Subordinated liabilities in Basic Own Funds	R0870	91.128
Any other liabilities, not elsewhere shown	R0880	18.536
Total liabilities	R0900	10.850.172
Excess of assets over liabilities	R1000	502.185

S.04.05.21: Premiums, claims and expenses by country

Home country: Non-life insurance and reinsurance obligations		Home country
		C0010
Premiums written (gross)		
Gross Written Premium (direct)	R0020	-
Gross Written Premium (proportional reinsurance)	R0021	-
Gross Written Premium (non-proportional reinsurance)	R0022	-
Premiums earned (gross)		
Gross Earned Premium (direct)	R0030	-
Gross Earned Premium (proportional reinsurance)	R0031	-
Gross Earned Premium (non-proportional reinsurance)	R0032	-
Claims incurred (gross)		
Claims incurred (direct)	R0040	-
Claims incurred (proportional reinsurance)	R0041	-
Claims incurred (non-proportional reinsurance)	R0042	-
Expenses incurred (gross)		
Gross Expenses Incurred (direct)	R0050	-
Gross Expenses Incurred (proportional reinsurance)	R0051	-
Gross Expenses Incurred (non-proportional reinsurance)	R0052	-

Home country: Life insurance and reinsurance obligations		Home country
		C0030
Gross Written Premium	R1020	702.221
Gross Earned Premium	R1030	702.221
Claims incurred	R1040	842.217
Gross Expenses Incurred	R1050	83.328

S.05.01.02: Premiums, claims and expenses by line of business
Life

		Line of Business for: life insurance obligations						Life Reinsurance obligations		
		Health insurance	Insurance with profit participa-tion	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	Total
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	R1410	605	359.779	310.846	30.992	-	-	-	7.748	709.969
Reinsurers' share	R1420	1.377	42.575	-	28.782	-	-	-	553	73.286
Net	R1500	(772)	317.204	310.846	2.210	-	-	-	7.195	636.683
Premiums earned										
Gross	R1510	605	359.779	310.846	30.992	-	-	-	7.748	709.969
Reinsurers' share	R1520	1.377	42.575	-	28.782	-	-	-	553	73.286
Net	R1600	(772)	317.204	310.846	2.210	-	-	-	7.195	636.683
Claims incurred										
Gross	R1610	261	605.233	215.252	22.611	-	-	-	10.584	853.941
Reinsurers' share	R1620	1.241	173.101	-	19.936	-	-	-	1.102	195.380
Net	R1700	(679)	432.132	215.252	2.675	-	-	-	9.482	658.561
Expenses incurred		-	45.540	37.269	532	-	-	-	3.516	86.857
Balance - other technical expenses/income	R2500									-
Total technical expenses	R2600									86.857
Total amount of surrenders	R2700	-	277.354	187.204	-	-	-	-	-	464.557

S.12.01.02: Life and Health SLT Technical Provisions

			Index-linked and unit-linked insurance			Other life insurance			
		Insurance with profit participation		Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees	Annuities other than health
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090
Technical provisions calculated as a whole	R0010	-	-			-			-
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0020	-	-			-			-
Technical provisions calculated as a sum of BE and RM									
Best Estimate									
Gross Best Estimate	R0030	6.400.395		2.082.327	-		-	172.545	-
Total recoverables from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	R0080	1.756.032		(2)	-		-	184	-
Best estimate minus recoverables from reinsurance/SPV and Finite Re	R0090	4.644.363		2.082.327	-		-	172.361	-
Risk Margin	R0100	66.441	15.163			2.929			-
Technical provisions - total	R0200	6.466.536	2.097.490			175.473			-

S.12.01.02: Life and Health SLT Technical Provisions (continued)

		Accepted reinsurance	Total (Life other than health insurance, incl. Unit-Linked)	Health insurance (direct business)			Annuities relating to health	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)
					Contracts without options and guarantees	Contracts with options or guarantees			
		C0100	C0150	C0160	C0170	C0180	C0190	C0200	C0210
Technical provisions calculated as a whole	R0010	-	-	-			-	-	-
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0020	-	-	-			-	-	-
Technical provisions calculated as a sum of BE and RM									
Best Estimate									
Gross Best Estimate	R0030	53.432	8.708.698		7.550	-	-	-	7.550
Total recoverables from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	R0080	(4.800)	1.751.414		-	-	-	-	-
Best estimate minus recoverables from reinsurance/SPV and Finite Re	R0090	58.232	6.957.284		7.550	-	-	-	7.550
Risk Margin	R0100	1.728	86.260				-	-	400
Technical provisions - total	R0200	55.159	8.794.958	7.950			-	-	7.950

S.22.01.21: Impact of the long term guarantees and transitional measure

		Amount with Long Term Guarantee measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
		C0010	C0030	C0050	C0070	C0090
Technical provisions	R0010	8.802.908	-	-	132.686	-
Basic own funds	R0020	593.314	-	-	(98.186)	-
Eligible own funds to meet Solvency Capital Requirement	R0050	697.244	-	-	(527.244)	-
Solvency Capital Requirement	R0090	363.472	-	-	-	-
Eligible own funds to meet Minimum Capital Requirement	R0100	515.508	-	-	(515.508)	-
Minimum Capital Requirement	R0110	163.562	-	-	-	-

S.23.01.01: Own Funds, including basic own funds and ancillary own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	300.100	300.100		-	
Share premium account related to ordinary share capital	R0030	18.773	18.773		-	
Initial funds, members' contributions or the equivalent basic own – fund item for mutual and mutual-type undertakings	R0040	-	-		-	
Subordinated mutual member accounts	R0050	-		-	-	-
Surplus funds	R0070	45.000	45.000			
Preference shares	R0090	-		-	-	-
Share premium account related to preference shares	R0110	-		-	-	-
Reconciliation reserve	R0130	60.507	60.507			
Subordinated liabilities	R0140	91.128		91.128	-	-
An amount equal to the value of net deferred tax assets	R0160	77.805				77.805
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	-	-	-	-	-
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the Reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	-				
Deductions						
Deductions for participations in financial and credit institutions	R0230	-	-	-	-	-
Total basic own funds after deductions	R0290	593.314	424.380	91.128	-	77.805
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	-			-	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	-			-	
Unpaid and uncalled preference shares callable on demand	R0320	-			-	-
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	-			-	-
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	-			-	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	-			-	-
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	-			-	
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	-			-	-
Other ancillary own funds	R0390	170.000			170.000	-
Total ancillary own funds	R0400	170.000			170.000	-

S.23.01.01: Own Funds, including basic own funds and ancillary own funds (continued)

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	763.314	424.380	91.128	170.000	77.805
Total available own funds to meet the MCR	R0510	515.508	424.380	91.128	-	
Total eligible own funds to meet the SCR	R0520	709.738	424.380	91.128	170.000	24.230
Total eligible own funds to meet the MCR	R0530	515.508	424.380	91.128	-	
SCR	R0540	388.459				
MCR	R0550	174.807				
Ratio of Eligible own funds to SCR	R0560	183%				
Ratio of Eligible own funds to MCR	R0570	294%				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	502.185
Own shares (held directly and indirectly)	R0710	-
Foreseeable dividends, distributions and charges	R0720	-
Other basic own fund items	R0730	441.678
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	-
Reconciliation reserve	R0760	60.507

S.25.01.21: Solvency Capital Requirement for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
Market risk	R0010	282.358		
Counterparty default risk	R0020	37.410		
Life underwriting risk	R0030	153.094	None	
Health underwriting risk	R0040	3.048	None	
Non-life underwriting risk	R0050	-	None	
Diversification	R0060	(108.416)		
Intangible asset risk	R0070	-		
Basic Solvency Capital Requirement	R0100	367.494		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	33.408
Loss-absorbing capacity of technical provisions	R0140	(12.443)
Loss-absorbing capacity of deferred taxes	R0150	-
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency Capital Requirement excluding capital add-on	R0200	388.459
Capital add-on already set	R0210	-
of which, capital add-ons already set - Article 37 (1) Type a	R0211	
of which, capital add-ons already set - Article 37 (1) Type b	R0212	
of which, capital add-ons already set - Article 37 (1) Type c	R0213	
of which, capital add-ons already set - Article 37 (1) Type d	R0214	
Solvency capital requirement	R0220	388.459

		C0110
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	-
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	-
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	-
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	-
Diversification effects due to RFF nSCR aggregation for article 304	R0440	-

S.25.01.21: Solvency Capital Requirement for undertakings on Standard Formula (continued)

		Yes/No
		C0109
Approach based on average tax rate	R0590	No

		LAC DT
		C0130
LAC DT	R0640	-
LAC DT justified by reversion of deferred tax liabilities	R0650	
LAC DT justified by reference to probable future taxable economic profit	R0660	-)
LAC DT justified by carry back, current year	R0670	
LAC DT justified by carry back, future years	R0680	
Maximum LAC DT	R0690	(96.708)

S.28.02.01: Minimum Capital Requirement for insurance undertakings engaged in both life and non-life insurance activity

		MCR components	
		Non-life activities	Life activities
		MCR(NL, NL) Result	MCR(NL, L)Result
		C0010	C0020
Linear formula component for non-life insurance and reinsurance obligations	R0010	1.070	-

		Non-life activities		Life activities	
		Net (of re-insurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months	Net (of re-insurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0030	C0040	C0050	C0060
Medical expense insurance and proportional reinsurance	R0020	-	-	-	-
Income protection insurance and proportional reinsurance	R0030	7.550	954	-	-
Workers' compensation insurance and proportional reinsurance	R0040	-	-	-	-
Motor vehicle liability insurance and proportional reinsurance	R0050	-	-	-	-
Other motor insurance and proportional reinsurance	R0060	-	-	-	-
Marine, aviation and transport insurance and proportional reinsurance	R0070	-	-	-	-
Fire and other damage to property insurance and proportional reinsurance	R0080	-	-	-	-
General liability insurance and proportional reinsurance	R0090	-	-	-	-
Credit and suretyship insurance and proportional reinsurance	R0100	-	-	-	-
Legal expenses insurance and proportional reinsurance	R0110	-	-	-	-
Assistance and proportional reinsurance	R0120	-	-	-	-
Miscellaneous financial loss insurance and proportional reinsurance	R0130	-	-	-	-
Non-proportional health reinsurance	R0140	-	-	-	-
Non-proportional casualty reinsurance	R0150	-	-	-	-
Non-proportional marine, aviation and transport reinsurance	R0160	-	-	-	-
Non-proportional property reinsurance	R0170	-	-	-	-

		Non-life activities	Life activities
		MCR(L, NL) Result	MCR(L, L) Result
		C0070	C0080
Linear formula component for life insurance and reinsurance obligations	R0200	-	190.800

S.28.02.01: Minimum Capital Requirement for insurance undertakings engaged in both life and non-life insurance activity (continued)

		Non-life activities		Life activities	
		Net (of re-insurance/SPV) best estimate and TP calculated as a whole	Net (of re-insurance/SPV) total capital at risk	Net (of re-insurance/SPV) best estimate and TP calculated as a whole	Net (of re-insurance/SPV) total capital at risk
		C0090	C0100	C0110	C0120
Obligations with profit participation - guaranteed benefits	R0210	-		4.591.673	
Obligations with profit participation - future discretionary benefits	R0220	-		52.691	
Index-linked and unit-linked insurance obligations	R0230	-		2.082.327	
Other life (re)insurance and health (re)insurance obligations	R0240	-		230.593	
Total capital at risk for all life (re)insurance obligations	R0250		-		6.041.146

Overall MCR calculation		C0130
Linear MCR	R0300	191.870
SCR	R0310	388.459
MCR cap	R0320	174.807
MCR floor	R0330	97.115
Combined MCR	R0340	174.807
Absolute floor of the MCR	R0350	8.000
Minimum Capital Requirement	R0400	174.807

Notional non-life and life MCR calculation		Non-life activities	Life activities
		C0140	C0150
Notional linear MCR	R0500	1.070	190.800
Notional SCR excluding add-on (annual or latest calculation)	R0510	2.167	386.292
Notional MCR cap	R0520	975	173.832
Notional MCR floor	R0530	542	96.573
Notional Combined MCR	R0540	975	173.832
Absolute floor of the notional MCR	R0550	4.000	4.000
Notional MCR	R0560	4.000	173.832